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FINANCIAL TIMES

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Thursday September 7 1978

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NEWS SUMMARY

GENERAL

Thorpe axed by Steel

Jeremy Thorpe, former Liberal leader, has been dropped from the party's shadow Cabinet. He was its spokesman on foreign affairs.

Mr. David Steel, Liberal leader, has taken over from Mr. Thorpe as a temporary measure. Mr. Thorpe is on bail facing charges of conspiracy to murder Norman Scott and his wife, David Holmes to murder Scott.

Mr. Thorpe implied he had not been given advance notice of the move. "This is interesting news," he said. "No doubt in due course Mr. Steel will be letting me know what he has in mind." Page 5

Indian flood toll grows

The Indian flood disaster is known to have killed 1,000 people but the final toll could be many times higher. Damage estimated at hundreds of millions of dollars. A belt of land from Pakistan to the Bay of Bengal is under water, hundreds of villages have been isolated and at least 40,000 tonnes of grain are needed in Uttar Pradesh alone.

Election 'No'

Rolf Hayman, the white joint-leader of the Liberal Democrats, said it would be administratively impossible to meet the target date of December 31 for a black majority vote. Back Page

Summit opens

President Carter held separate talks with Prime Minister Begin of Israel and President Sadat of Egypt as the Middle East summit got under way at Camp David. A news blackout has been imposed in a bid to make the two leaders relax and talk freely.

City clean up

The Government is to spend £15m over the next 21 years cleaning up inner city areas. Peter Shore, Environment Secretary, said the task was to get the 29 districts most in need. Page 5

Professor dies

Professor Henry Bedson, the multiple expert, has died in hospital five days after being found with his throat cut. Prof. Bedson headed the Birmingham University medical unit in which snuffbox victim Janet Parker worked.

Iran clampdown

Iran has banned all public meetings and marches without official clearance amid continuing violence in which 37 people have died this month.

Rotten luck

Peter Arnold, a gambling expert, says in a new book that British football pools punters are getting the worst deal offered to gamblers anywhere because the share-out for winners amounts to only 30 per cent of the total pool.

Plus ça change

A woman's magazine poll conducted in the light of moves towards "liberation" has found that the most urgent priorities for women aged 18 to 39 are a husband, two children and a house - preferably in the country.

Briefly

Express Newspapers launches its new tabloid daily on either the 8th or 16th of next month. Back Page

Argentine motor racing driver Carlos Reutemann is leaving Ferrari for John Lotze.

Soviet prosecutor wants suspended five-year sentence for American Francis Crawford, facing currency charges.

Police broke open a toilet on the Vienna-Ostend train and found a man lighting a bomb fuse.

Japanese drank a record 364,320,000 gallons of beer this summer.

BUSINESS

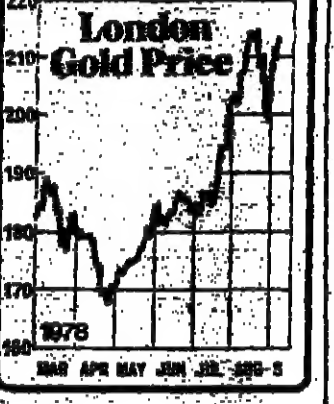
Equity gain held; Gold up \$34

● **EQUITIES** consolidated earlier technical gains, and the FT Ordinary Index closed unchanged at 562.5.

● **GILTS** recorded gains of 1 in shorts and the Government Securities Index closed 9.01 up at 78.33.

● **STERLING** closed unchanged at \$1.9425 and its trade-weighted average stayed at 62.3. The dollar moved erratically in foreign exchange markets and its depreciation narrowed slightly to 8.1 per cent (9.2).

● **GOLD** rose \$34 to close at \$220.



London Gold Price

Source: The London Bullion Market Association

● **WALL STREET** was 2.19 up at 864.10 just before the close.

● **DIAMONDS** trading 173 carats have been recovered in the first month's test work at Comstar Diamonds of Australia. Action diamond exploration is continuing in Western Australia. This gave a fresh fillip to diamond exploration stocks. Page 23

● **DAYS INTERNATIONAL** and United have both assured shareholders that they will fulfil the spirit of Stock Exchange take-over rules and inform shareholders of increases in capital. Back Page

● **LAGER AIRWAYS** has reached advanced negotiations with the European Airbus Industrie group for up to six A-300 versions and options of at least four more, in a deal worth up to \$75m. Page 6

● **CONTINENTAL CAN** of the U.S. is considering setting up manufacturing plants in the UK. The company's stock market value is \$1.2bn. The move is being resisted by the UK Government. Back Page

● **DATSUN** dealers in the UK have appealed to the Government to rescind its agreement restricting imports of Japanese cars, because the restriction has not helped B.L. Cars. Page 3

● **TATE AND LYLE** has earmarked £20m for the development of new outlets for sugar cane and other energy rich crops as sources of energy and chemical feedstocks. Page 6

● **SCOTTISH** Development Agency is likely to have spent its £300m budget before its allotted five years are up, and substantial funds would have to be made available for aid to Scottish industry to continue the agency's work. Page 9

● **MANY GOVERNMENT** publications are not being distributed because of a dispute between HMSO and printers. Page 9

● **BROOKES BOND LIEBIG** subsidiary has been prohibited by the Australian Government from taking over an Australian company. Bushells Investments. Page 21

COMPANIES

● **SUN ALLIANCE** interim results for the six months to the end of June look almost \$12m off target. The company's stock market capitalisation, when underwriting losses of £10.5m against a £2.5m profit were revealed. Back Page

● **GUARDIAN ROYAL** Exchange Assurance increased its investment income in the first half of 1978, from £21.5m to £25.8m. Pre-tax profits by £3m to £23.2m in spite of increased underwriting losses. Page 20 and Lex

TUC stays firm in resistance to 5% pay limit

BY CHRISTIAN TYLER, LABOUR EDITOR

The trade union movement yesterday refused outright to accept the Government's wage control recipe for keeping down inflation which the Prime Minister will make the cornerstone of his general election campaign.

Unions of every political shade voted at the Trades Union Congress in Brighton for a long motion rejecting the 5 per cent ceiling on Phase Four settlements.

Even the few who voted against the motion agreed that the Government was wrong and unrealistic in trying to impose such a limit for the next 12 months.

The conference simultaneously declared that the rapid pay norms agreed with the Government had failed to make the expected dent in the unemployment figures. Demands for a 35-hour week without loss of pay and regardless of any wages norm were pressed hard during the debate.

But the disappointment was not sufficient to cause a rupture of the social contract relationship on which Mr. Callaghan will be depending as evidence that the unions, Government and employers, its arguments were by no means laughed out of court. The union forecast that it would have a majority for its proposals next year.

If Labour is re-elected, it appears to stand some chance of reaching the consensus of which Mr. Callaghan spoke on Tuesday, and which is called for in the TUC-Labour Party liaison committee document approved by Congress yesterday. "Into the Eighties: An Agreement."

Mr. Len Murray, TUC general secretary, at the time of the debate with a speech admitting failures of the social contract, but stressing that the difference between the TUC and the Government was one of method not aims.

He warned the unions not to be deceived by the Conservative promise of free collective bargaining when it was coupled with a "strait-jacket" of monetary, market forces and the use of unemployment as an economic regulator.

But he also warned Labour of the trouble that rapid pay norms could cause, and accused the Government of under-estimating trade union memories of the 1974-75 inflation.

The resolution, although not mentioning a 5 per cent limit, declared opposition to Government interference in wage bargaining and to any form of restrictive incomes policy.

It also set out a list of bargaining priorities, like the 35-hour week, the needs of the low paid, and the importance of restoring real differentials for skilled manual and white collar workers.

Congress carried unanimously motions calling for more radical economic policies, a shorter working week, and more expenditure on public services.

Invisible trade surplus well below 1977 level

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN'S surplus on invisible trade has so far this year been well below the average level of 1977.

The main reason is a higher level of U.K. contributions to the EEC. But there has also been a deterioration in the net balance on shipping, notably on dry cargo, and a decline in the net surplus on travel as the number of foreign visitors has levelled off and more British residents have gone abroad.

The invisibles surplus has been in decline since April and June was £233m less than originally estimated, but £28m higher than the exceptionally low first quarter total. Over the first half of 1978, the invisibles surplus has been running at 37 per cent less than the quarterly average last year which was itself nearly a fifth lower than the 1976 peak.

The second quarter balance of payments figures also showed a deficit on the combined current and capital accounts between April and June for the first time since the end of 1976. This deficit was £149m compared with a surplus of £178m in the previous three months and a total surplus of £738m last year.

The second quarter deterioration was wholly on the capital account due largely to changes in the demand for sterling. This was partly associated with the recovery of the dollar in April and market concern about domestic monetary developments in the UK.

Consequently there was a sharp decline in overseas residents' holdings of sterling assets. Official sterling balances, including government stocks, dropped by £233m in the quarter. Private balance declined by £154m, and there was a reduction of £24m in holdings of gilt-edged stock by overseas private residents.

This was the first fall in such holdings since the beginning of 1976. In the interim purchases amounted to well over £1bn.

The outflow was also reflected in a rise of more than £50m in UK banks' external sterling leading (mainly on export credit)

and a more rapid rise in UK bank lending abroad in overseas currencies than in bank borrowing from abroad.

Investment by overseas companies (including oil companies) in their UK subsidiaries, which had been exceptionally high in the first quarter, was exceptionally low in the second quarter with a difference between the periods of £570m. This again probably reflected the changing demand by companies for sterling.

There was an improvement in the current account between the quarters of £155m, on seasonally adjusted basis, though the turnaround was slightly smaller than estimated.

Consequently the cumulative current deficit in the first half of 1978 is now estimated at £119m, compared with £84m previously, and the £30m deficit for July could now be revised. This suggests that the April budget

Continued on Back Page
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POLL DATE COULD FOLLOW CABINET MEETING TODAY

Tories woo the unions

BY RUPERT CORNWELL, LOBBY STAFF

THE CONSERVATIVES last night stepped up the pre-election propaganda battle with perhaps their most skilful effort yet to prise rank and file trade unionists away from their traditional support for the Labour Party.

The attempt, in the latest Tory television party political broadcast, could not have been better timed, midway through the Trades Union Congress, and on the eve of a vital Cabinet meeting which could be followed by an announcement of the Prime Minister's general election plans.

Imminent

But although October 5, followed by October 12, were still the overwhelmingly favourite dates among politicians of the three major parties yesterday, Mr. James Callaghan's precise intention remains unknown. At Downing Street it was merely said that an announcement was "pretty imminent."

The Conservative broadcast was the fourth—and among the dearest and most effective—devised by the Saatchi and Saatchi advertising agency.

The television production, featuring four shadow Cabinet members, was preceded by a certain amount of radio broadcast in which the Tories' working men rehearsed in a pub setting the arguments in favour of a Tory-run economy, where faster growth and lower unemployment would be guaranteed.

The broadcast avoided any hint of confrontation with the unions. Instead, it dwelt on what seems certain to be a dominant theme of the Tory campaign, that Labour has failed to deliver on

its claim that it was the party which best defended working people's interests.

It had always been the Conservatives, and not Labour, who had most helped the working man when in office by securing more jobs, higher real wages and lower taxes, said Mr. Michael Heseltine, shadow Environment spokesman, who was one of the four main speakers.

"Now, you may find it strange to vote Conservative... Some of you may even feel you are being disloyal to your fellow workers if you vote Conservative," Mr. Heseltine said, just 24 hours after union leaders in Brighton pledged their support for Labour.

"But the point is that millions of your fellow workers are already voting Conservative. To vote for a party that can get us out of the rut is not disloyalty—that's common sense."

Mr. James Prior, the shadow Employment Secretary, promised to restore "responsible and realistic pay bargaining, free from Government interference, because it is a common objective of all the people of this country."

No mention

Significantly, however, Mr. Edward Heath does not seem to have been rehabilitated by Tory Central Office, even though he has made peace of sorts with his successor as party leader, Mrs. Margaret Thatcher. The broadcast's comparisons of respective party leaders moved directly from Sir Harold Wilson and Mr. Harold Macmillan to Mr. James Callaghan and Mrs. Thatcher, with no mention of the former Tory Prime Minister's 1970-1974 Administration.

Labour asks for £1m

BY OUR LABOUR EDITOR

THE Labour Party asked trade unions yesterday to contribute £1m towards its cost during the forthcoming general election.

Mr. Ron Hayward, general secretary, said after a meeting with union leaders in Brighton for the TUC that their response was without parallel in his experience. "All realised the seriousness of the next general election," he said.

The £1m that Labour is seeking is equivalent to two-thirds of the total fee paid each year by the 58 affiliated unions. A written appeal will be going out next week.

The only declared contributions to the party so far are £100,000 each from the General and Municipal Workers and the National Union of Mine-workers.

The party itself has already started spending on a poster campaign over the past week. That has used about £50,000 from its reserves of £2,000,000. Mr. Hayward said every penny was being thrown into the campaign short of leaving the party bankrupt.

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Continued on Back Page
Tables Page 5

P & O chairman takes new role

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

PENINSULAR and Oriental Steam Navigation Company announced its expected first-half profits collapse yesterday and disclosed at the same time that Lord Inchcape has taken over as chief executive as well as chairman of the group.

News of the boardroom change, whereby Mr. Sandy Marshall retains his post as managing director but clearly loses some authority, re-kindled rumours in the City that the board is heading for a new internal battle to follow the 1972 epic when seven directors quit over the group's resistance to a Bovis takeover bid.

But the City was relieved that a slump from £28.9m pre-tax profit in the first six months of last year to £1.1m this year, has not meant any change in interim dividend. The shares rose 2 1/2 p to 86 1/2.

There was a strong official denial that Lord Inchcape's change of role represented any

thing other than a desire on his part and the board's part for closer personal involvement during a difficult period. Mr. Marshall would be freed "to supervise and co-ordinate the company's operations."

Unofficially, some of the company's directors were prepared to admit that not everyone was happy with the change, but dismissed the idea that the Board was split or that further changes in Board membership or company structure were in the pipeline.

Lord Inchcape, it was said, was keen to devote more time to P & O after a period when his other business interests, notably his chairmanship of the Inchcape Group, and a year as president of the General Council of British Shipping in 1976-77 had

claimed much of his attention.

Three years ago, Lord Inchcape resigned as a non-executive director of Burmah following criticism that he and fellow part-time directors had not kept abreast of the company's problems.

Yesterday's dismal results were mainly caused by deterioration in the bulk shipping and general cargo divisions of the company.

Although measures are being planned to reduce the company's stake in the crisis-stricken gas carrier fleet, joint ventures under negotiation with gas producing countries have not been finalised.

On the dry bulk side, a fleet reduction programme stretching to the end of next year is in hand. So far this year the bulk division has sold four ships and Anglo-Nordic, in which P & O has a 50 per cent stake, has sold another four. Even so, the bulk division is not expected to show profits before 1980.

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EUROPEAN NEWS

Portuguese Premier faces key test in Assembly

By Jimmy Burns in Lisbon

TEN days after his formal appointment as Portugal's new Prime Minister, Mr. Carlos Costa, a 55-year-old engineer, will present his Government programme to Parliament. The 263 delegates of the Portuguese Assembly of the Republic will then have tomorrow and the weekend for "reflection" before returning on Monday at the beginning of what promises to be a gruelling five-day debate.

At the end of the debate, scheduled for late Friday night or early Saturday morning, any of the major political parties is constitutionally allowed to present a motion of rejection on the Government programme. If the motion is carried by over half of the delegates, Sr. da Costa and his team must resign.

Latest indications suggest that the Government's chances of survival in next week's crucial Parliamentary test are slim.

Recently both the Socialists and the Centre Democrats (CDs) whose six-month-old Government alliance collapsed at the end of July, declared their opposition both to the form and content of Sr. da Costa's Government of "political independents and technocrats".

The Socialists, who with 102 seats in the assembly are Portugal's major parliamentary party, dissociated themselves from Sr. da Costa when he was designated as Prime Minister by President Ramalho Eanes early last month. They claimed that the appointment of a man without any formal party links to lead the country contravened Article 190 of the Portuguese constitution.

This states that a new Prime Minister should be appointed with "due regard being had to the election results". The Socialists won the country's last general election with nearly 55 per cent of the vote.

The Conservatives, though initially more reserved about Sr. da Costa's appointment, recently came out strongly against the content of his Government, which they accuse of being "to the left of the Socialists". In their view the Government's self-styled label of "political independence" hides an unofficial agreement reached by Sr. da Costa and the Communists Party.

The Communists claim that three ministers—Sr. Carlos Correia Gago (Foreign Affairs), Sr. Costa Leal (Labour) and Sr. Acacio Pereira Magro (Social Affairs)—are all "pro-Communist" and have been picked in return for a measure of stability in industry where the labour movement is largely Communist-dominated.

Conservative concern at the "red tinge" of key ministries lay behind the collapse of their alliance with the Socialists in July. The CDs then wanted the sacking of Sr. Luis Sals, the Minister of Agriculture, who was accused of another "secret" deal with the Communists over agrarian reform.

The Socialists (102 seats) and the CDs (41 seats) have it in their power to vote together on a motion of rejection and topple the Government. If their initial reaction to Sr. da Costa appears different and contradictory, they are linked by a third and most important factor which could force the two parties into an agreement against Sr. da Costa.

Both the Socialists and the CDs are increasingly aware that the Portuguese parliamentary system is threatened by a formation of a Government that has no official links with the main political parties, but has simply the support of the President.

Their apprehension has grown with the new administration's apparent intention to play much more than a transitional role.

Where Sr. da Costa and his technocrats to gain parliamentary approval in the next week, the politicians claim, the parties would be accepting a fundamental change in Portugal's political system that would seriously undermine their own reasons for existence.

Curiously Sr. da Costa has not so far met with outright opposition from the more traditionally aggressive parties—the right-wing Social Democrats (PSD) and the pro-Soviet Communist Party.

But these "friends," though useful for the new Government, are not sufficient in a parliamentary vote. Even if the Social Democrats and the Communists were to join in an unlikely alliance they could muster only 133 votes against the combined vote of 143 from the Socialists and the Conservatives.

The political parties will not declare their formal and final position until the debate on the programme has begun.

But the signs are that the content of the programme may already be irrelevant. As a leading Conservative told me yesterday: "We'll be voting on the Government, not on the programme."

Meanwhile the Socialist Party, recovered from the psychological blow of Sr. Mario Soares' dismissal from the Premiership in July, has begun a series of meetings with the three other major political parties.

France introduces special tax to curb overtime

By DAVID CURRY

THE FRENCH Government has decided to impose a special tax on overtime to check the rise in unemployment. Workers will be paid 30 per cent extra for overtime work, instead of the present 25 per cent, but a third of that will be taken in tax and paid into the national unemployment fund.

The measure is intended to make it more expensive for employers and workers to introduce overtime.

The special tax is among measures approved by the Cabinet today in response to the rise in unemployment.

The Government estimates that it is likely to top 1.2m this year, but the unions fear that might be a severe under-estimate.

The other main decision is to set up a FFR 5bn special fund

for industrial construction and job creation in regions suffering from the crisis in steel and shipbuilding. The FFR 3 bn will be half in subsidies, half in loans, and the first FFR 1 bn will be available this year.

The Government is also encouraging the increase in manning in certain continuous-process operations, for example in steel, and an extra "half-shift" might be added to the existing four shifts. Employers would be exempted from social security charges for the extra manpower.

The two sides of industry have been asked to consider reducing working hours in jobs calling for strenuous manual labour and a study on encouraging part-time working is to be undertaken.

M. Robert Bouillon, the Labour Minister, promised that the

national employment agency would be reorganised and measures taken to limit abuse. He added that steps to develop apprenticeships and mobility by white-collar workers would be taken.

The unions and employers have been encouraged to negotiate changes in the unemployment benefit system to even up this benefits accorded to different categories of unemployment and make it more worthwhile to accept job offers.

The measures include no radical proposals. The Prime Minister, M. Raymond Barre, has specifically ruled out steps that would add to business costs without necessarily creating more permanent employment. Thus the age of retirement and the length of the working week remain unchanged.

It has been alleged that a Roman senator to the West passed on to the U.S. information suggesting spying in the SPD's ranks and the existence of a plan by Herr Baer for West German withdrawal from NATO.

Mr. Schmidt said that when he met Mr. Walter Mondale, the U.S. Vice-President, in Rome recently, he was assured that Washington had been given no such indications from any source.

Meanwhile, the Cabinet today postponed a decision on a request by the Federal Attorney's office to start legal proceedings against some journalists in connection with the trial. More detail were asked for.

It is suggested that some of the media made public details of the investigation into the spying affair in such a way as to prejudice its outcome.

Secret reports from West Berlin's intelligence authorities flew 129 Pakistanis home today.

Yesterday 185 Pakistanis were flown back to Karachi, and a total of 591 have been expelled over the last week.

The first eight months of this year about 4,000 Pakistanis have arrived here, hoping for political asylum.

Mr. Haakon Nygaard, manager of the Guarantee Institute, says he does not believe that speculation about Mr. Reksten's possible foreign assets will affect the current negotiations with Hambros. These concern loan guarantees granted to the Reksten companies Hadrian and Trajan, in 1978, following a reorganisation of the Reksten interest. The guarantees cover a three-year, \$100m borrowing facility provided to the two companies in December, 1976, by a consortium of 20 international banks, including Hambros. It is understood that by the end of June this year, Hadrian and Trajan had together drawn about half of this facility.

Mr. Joul Bjørke, chairman of the Institute Board, would not comment on the matter to the Financial Times today. In Arbeiderbladet yesterday, however, he was quoted as saying: "If Reksten has assets abroad, the original guarantee agreement is based on faulty premises. It is obvious that in this case there is an entirely new situation which could have consequences for a new guarantee agreement."

A meeting of the Institute's board is scheduled for tomorrow. Mr. Bjørke could not say whether any statement would be issued after the meeting.

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Postpone social security tax rise, Miller urges

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Sept. 6.

MR. WILLIAM MILLER, chairman of the Federal Reserve Board, today proposed that the Social Security tax be postponed for a year to combat inflation.

Testifying this morning before the Senate Finance Committee, Mr. Miller laid out a detailed prescription of what he thought the Tax Bill now before the Senate should contain. His testimony was much closer to the Administration's position than the House bill, which would increase the tax by 0.5 per cent to the rate of 10.5 per cent in 1979, according to the Fed's staff.

Senator Russell Long, the extremely powerful chairman of the Finance Committee, is also concerned by the social security tax increase, but appears to be leaning towards a different solution. He has said he wants to increase the size of the Social Security trust funds by cutting out of the budget an amount as large as the increase in the tax. He also wants to increase the Social Security tax on the earnings of the highest earners, but he has not yet decided whether to do so.

Mr. Miller also took exception to the larger cuts in capital gains and corporate income tax embodied in the House Bill, the first of which, in particular, is sharply opposed by the Carter Administration. He said that both proposals would have a negative effect on the economy, and that the House Bill would have a negative effect on the economy, and that the House Bill would have a negative effect on the economy.

A tax cut of that magnitude, he argued, would serve only to offset the impact of the increase in the Social Security tax, and that the House Bill would have a negative effect on the economy, and that the House Bill would have a negative effect on the economy.

Somoza to hold line on strike in Nicaragua

MANAGUA, Sept. 6.

PRESIDENT Anastasio Somoza has vowed to outlast the organizers of a 10-day-old national strike aimed to oust him from power in Nicaragua.

Gen. Somoza, whose family has ruled Nicaragua for 45 years, told a news conference last night that he would wait until the strike promoters got tired or went bankrupt.

The Government yesterday stepped up emergency measures to keep public transport running in the capital, Managua, where up to 30 per cent of shops were closed and skeleton staffs at banks attended to only a trickle of customers.

Gen. Somoza lashed out at the Venezuelan President, Sr. Carlos Andrés Pérez, who last week called for urgent meetings of the UN Security Council and the Organization of American States to deal with the situation in Nicaragua.

Gen. Somoza said he would not be provoked by Pérez's move, and that he would wait until the strike promoters got tired or went bankrupt.

He said the call was unprecedented, contrary to international law and a direct intervention in Nicaraguan internal affairs.

The National Guard, the only security force in Nicaragua, had detained 135 people since the start of the strike on charges of looting shops and joining the strike, Gen. Somoza added.

Opposition leaders had estimated on Monday that between 100 and 600 people had been arrested.

U.S. reduced \$ support in May-July quarter

BY STEWART FLEISS

NEW YORK, Sept. 6.

INTERVENTION by the U.S. authorities to support the dollar was cut sharply in the May-July period compared with the near-record levels recorded in the previous February-April quarter.

According to latest statistics from the Federal Reserve Board of New York, U.S. Treasury and Federal Reserve intervention totalled some \$2.5 billion in the May-July quarter, compared with \$1.2 billion in the earlier period.

Overall during the May-July period, the Federal Reserve repaid \$1.5 billion of loans to the Bundesbank, reducing swap indebtedness to \$630m as of July 31. In addition, the Treasury repaid \$714m to reduce its swap debt to the Bundesbank to \$187m.

Since dollar rates did not recover to the levels which most of the debt was incurred, the repayment resulted in net realised losses totalling \$14.7m to the Fed.

Mr. J. Edgar Hoover and Mr. J. Edgar Hoover estimated that gross market intervention by all central banks in the May-July quarter totalled \$2.5 billion, also a sharp reduction from the record \$1.2 billion in the February-April quarter.

Help for charter airlines

BY OUR OWN CORRESPONDENT

NEW YORK, Sept. 6.

IN A FURTHER effort to help charter airlines, the Civil Aeronautics Board yesterday gave four U.S. airlines temporary rights to fly between the U.S. and the Netherlands or Belgium.

The CAB said it would allow National to fly between Amsterdam and New York, Northwest to fly between Amsterdam and New York, and Capital to fly between New York and Chicago. Capital International Airlines to fly between New York and Chicago.

Imports of special steels increase

BY DAVID LASCELLES

NEW YORK, Sept. 6.

EVIDENCE of growing problems on the special steel front, where imports to the U.S. are not covered by the trigger price mechanism, came today with figures showing that imports in the second quarter accounted for 14.5 per cent of U.S. domestic steel consumption, up from 11.7 per cent in the first quarter and 13.8 per cent in the second quarter of last year.

There were similar rises in the consumption shares of imported stainless steel, sheet, trip and plate.

Although these imports, most of which come from Japan, are subject to quota restrictions imposed two years ago, domestic manufacturers are alarmed by these trends.

President Carter has rejected the idea that the U.S. special steel industry needs further protection, on the grounds that such a move could prove inflationary.

Cuban exile journalists in Havana

HAVANA, Sept. 6.

A NUMBER of exiled Cuban journalists have arrived in Havana for a meeting today with President Fidel Castro on the Government's proposal to free most of its political prisoners.

The journalists include editors of anti-Castro newspapers in Miami and New York. Among those invited was Sr. Rosendo Canto Hernández, a Cuban ambassador to Taiwan in pre-Castro days.

Describing the news conference as a generous gesture on the President's part, he said he believed he would get positive answers from Gen. Castro on the question of freeing detainees and reuniting families.

Sr. Emilio Rangel, a photographer from Miami, said that all the Cuban-American journalists in Miami were homesick and longed to be reunited with their families. President Castro's Government has ruled Cuba since 1959 when an insurrection overthrew the right-wing Government of the late Fulgencio Batista.

Cuba is now graduating sufficient doctors to send anywhere in the world they might be needed, President Castro said in a speech to mark the start of the school year yesterday.

There was a growing demand abroad for Cuban medical services, which were provided free of charge to poor developing countries, Gen. Castro said at Camagney.

Cuba had commitments abroad this year of 1,283 doctors, 640 nurses and 670 health technicians, he said.

Gen. Castro also spoke at length about cheating in examinations, saying that those who did not report cheating to the school authorities were betraying their schoolmates, as well as every revolutionary principle.

Opposition presses for broad amnesty

By Our Own Correspondent

MEXICO CITY, Sept. 6.

MEXICAN OPPOSITION parties are increasing their campaign to make sure that the promised amnesty announced by the President, Sr. José López Portillo, last week, is as wide as possible.

The President has said that an amnesty law will be submitted to Congress, in order to make "social and political peace easier to achieve. But the terms of the law are not yet known, other than that people imprisoned for politically-motivated crimes of violence are unlikely to benefit.

Another problem is that the government line is that there are no people imprisoned in Mexico for their political beliefs, but only political activists. The Left-wing opposition, however, claims that there are several hundred political prisoners, in the generally accepted sense of the term, an estimated 367 people who have "disappeared," and 56 political exiles.

Sr. Roberto Castillo, the president of the Mexican Workers' Party, said in the magazine Proceso that police were a law unto themselves, and that an end must be put to their excesses.

The most feared is the Brigada Blanca (the White Brigade), an anti-terrorist unit of the army whose activities are rarely discussed.

The last amnesty in Mexico was granted in 1976 by the previous President, Sr. Luis Echeverría. This benefited about 300 people awaiting trial in connection with the confrontation in 1968 between police and students which left 300 dead at the time of the Olympic Games.

AP-DJ adds: Mexican retail prices in August rose by 1 per cent above those of July, the Central Bank said.

THE MEXICAN ECONOMY

A drop of oil in the ocean

BY WILLIAM CHISLETT IN MEXICO CITY

SR. JOSE LOPEZ PORTILLO, the Mexican President, believes that the worst of the national economic crisis is over and that he can now enter stage two of his six-year term of office and consolidate what has been achieved in the last two years.

These brave words, expressed last Friday in the President's annual state of the nation speech, do not mean that all is well in Mexico, a turbulent country with a deepening economic crisis, but there are some promising signs.

Sr. López, a former finance minister, is no Utopian but a level-headed realist, while his optimism can be seen as more than mere rhetoric, but that does not mean that all is plain sailing.

When Sr. López took office in December 1976 after six years of Sr. Luis Echeverría's erratic rule, he quickly had to pick up the pieces predicted by the first Mexican devaluation for 22 years. It was a watershed in Mexico's history. Public foreign debt increased two-fold in Sr. Echeverría's term of office to \$19.5bn. The balance of payments deficit reached \$3.7bn in 1976 (after a record \$3.7bn in 1975) and inflation was officially put at 27 per cent in 1976. An estimated \$1.5bn left Mexico before devaluation.

Now, two years later, the foreign debt has grown to about \$25bn, the balance of payments deficit forecast for this year is between \$2.2bn (after last year's loss of \$1.7bn) and the official cost of living index rose officially by 5 per cent in the first half of this year compared with 13 per cent in the same period last year.

Add to this the President's bold announcement that potential reserves of crude oil and condensates now stand at 200bn barrels against the previous figure of 120bn, and his claim that for the first time in three years the economic growth rate, which he optimistically forecast at 5 per cent this year, is higher than the population growth rate, and Sr. López has some reason for expressing confidence.

But set all this against the grim picture of unemployment at more than 50 per cent, per capita income at around \$575, population rising at an annual rate of 2.5 per cent and with fewer than 20 per cent of the 65m population controlling more than 70 per cent of the country's wealth then the limits to optimism come into relief.

No wonder then that Sr. López was at pains to stress throughout this speech that "we still have not seen the improvement in a general characteristic of our economy reflected in real benefit to everyone." He warned that unless this happened quickly, the majority of Mexicans would have every reason to feel defrauded. The main crisis now was social, he said.

Sr. López faces a herculean task, for even if the economy were to return to the target growth rate of 6 to 7 per cent, industry could still only provide 150,000 new jobs a year, while 500,000 jobs need to be created every year just to keep the unemployment rate from increasing.

The President admitted that 3m. dwellings need to be built by 1982 just to keep up with the population growth, but that only 1.5m will in fact be built.

How to balance the social forces and keep production increasing—which in turn means satisfying the very conservative business community—while keeping workers from becoming too disgruntled is an awesome task in Mexico. Wage increases are out of step with inflation. Last year the trade union chief Sr. Fidel Velázquez agreed to limit wage demands to 10 per cent when inflation was double the current rate. Sr. López says that the time has come to reward workers for their sacrifices but how remains to be seen.

Sr. López shows every sign of being aware of the problems but their size, especially in population growth and unemployment, make anything he achieves seem slight. For example, according to official figures 1,000 people a

day are arriving in Mexico City, whose population is 13m, from outside.

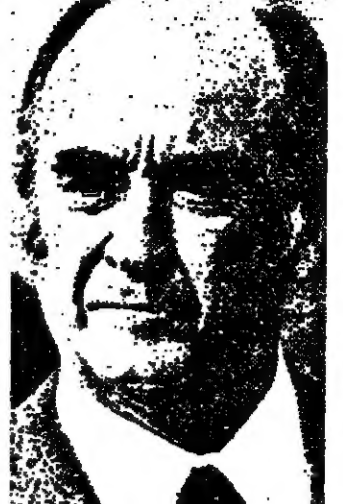
It is costing the Government this year more than \$130m just to maintain the price of milk and "tortilla" (a kind of cornflour pancake) the staple diet of a great many Mexicans. The total

country must be "careful" how the oil is used. Clearly it can be used as a bargaining counter with other countries, particularly the U.S. The idea is to export and generate foreign exchange earnings, to reduce the huge current account deficit, and also to boost related industries like petrochemicals and expand capital intensive sectors such as steel.

The transition to a more industrialised society which the oil should bring, will inevitably mean greater social and political tensions.

Sr. López has foreseen this and made special mention of political reforms in his speech. The ruling Partido Revolucionario Institucional (PRI), the Institutional Revolutionary Party, a double-edged sword, has won all elections for president, state governor and senator since 1929 and now holds 196 of the 197 elected seats in the chamber of deputies. Forty-one opposition deputies also sit in the chamber through a system of minority representation.

The President intends to open up the fossilised political system. Next year during the congressional elections the size of the chamber will increase to 300 members elected directly and 100 through proportional representation. The Communist Party, banned for 40 years, will take part. Ten years ago there was a "crisis of conscience" after the 1968 confrontation between students protesting at social injustices and police which left 300 dead. Now, says the President, there is an "awareness of the crisis."



Sr. José López Portillo — after an economic crisis, the worst is over.

cost of government subsidies to hold down price increases is \$321m.

Oil is seen as the country's salvation and here there appears to be a plus. Sr. López once said that "this opportunity (to get oil) will only come once in history. We have to transform a non-renewable resource into a permanent source of wealth."

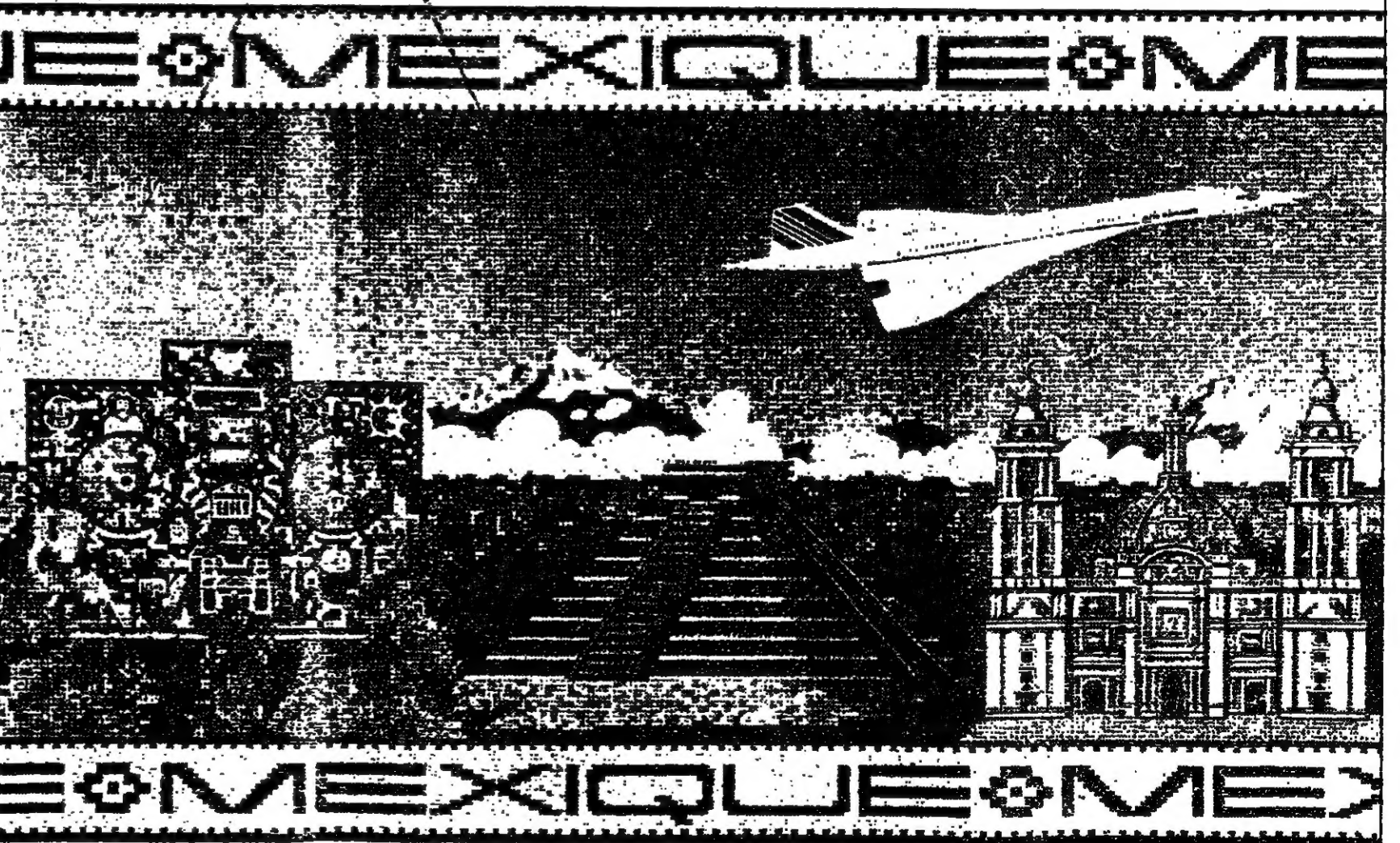
Pemex, the State-owned oil company, is certainly getting at it quickly but many people are sceptical of the Government's (understandable) optimism that all will be a panacea for many national problems.

Sr. López warns that the

U.S. COMPANY NEWS

Occidental Petroleum bid for Mead blocked; Strong third quarter for Fluor; Agreement expected on Pan Am takeover

Concorde Mexico.



Concorde Mexico City from 20th September. For the first time ever, you can take the new Paris-Mexico Concorde and arrive in Mexico City from Europe faster than by any other aircraft in the world. Only Air France offers you Mexico by supersonic Concorde. There are two flights a week, every Wednesday and Sunday, leaving Paris Roissy-Charles de Gaulle at 8 pm and arriving in Mexico City at 7.40 pm, via Washington, D.C. Our Paris-Mexico route takes only 7 hours 40 minutes, as compared with the fastest subsonic flight, which takes 13 hours 30 minutes. You'll arrive in Mexico City relaxed, with the whole evening ahead of you.

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		Thurs. Mon.

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OVERSEAS NEWS

Botha rejects proposals for UN role in Namibia

BY OUR OWN CORRESPONDENT

SOUTH AFRICA today rejected key parts of proposals for UN involvement in the Namibia independence process, but left the door open for further negotiations.

The South African Foreign Minister, Mr. R. F. P. Botha, made his government's position known in a lengthy letter to the UN Secretary-General, Dr. Kurt Waldheim, who submitted the plan to the Security Council a week ago.

Mr. Botha said elements of the plan that were unacceptable to South Africa included the proposed dispatch of a 7,000-man UN military force and 360 civilian police to Namibia, and the proposed postponement of independence beyond the end of this year, to which his Government is already committed. He said that the plan was a cause of great concern and disappointment to the South African Government, that in spite of what has been achieved and the clear wishes of the people of South West Africa, we are caught up in arguments far removed from the main questions of principle, Mr. Botha said.

He repeated that the South African Government accepted the settlement proposed by

the five Western members of the Security Council—Britain, France, the U.S., West Germany and Canada—to which it agreed on April 25. We are prepared to adhere to that decision but to negotiate with interpretations inconsistent with the proposal, he said.

He protested that there was no provision in the Western plan for UN civilian police, and it specifically set December 31 as the date for Namibian independence.

Despite his strong attack on the blueprint presented by Dr. Waldheim, which has yet to be formally considered by the Security Council, South African officials said talks with the UN about implementing the proposed settlement would continue. Mr. Botha planned to leave New York tonight for home, but would leave staff members here to maintain contact with UN and other officials.

Delegates of the five Western countries went into urgent consultations at the U.S. mission to the UN as soon as word was received about the South African Government's position. This apparently was developed at a Cabinet meeting in Pretoria yesterday presided over by Mr. Pieter Botha, the Defence

UNITED NATIONS, Sept. 6.

Minister, who is considered a hard-liner. The Prime Minister, Mr. John Vorster, is ill.

In the South African political context, the Foreign Minister is considered relatively liberal and eager for a Namibia settlement involving the UN. But since Dr. Waldheim published his proposals for the UN operation in Namibia, Mr. Botha has repeatedly objected to those parts of the plan which he formally identified as unacceptable today.

On the question of the cessation of hostilities in Namibia, where South African troops have been fighting South West African People's Organisation (SWAPO) guerrillas, Mr. Botha said that if violence continued in the Western plan could not be implemented. He also demanded of SWAPO an unequivocal statement that the organisation accepted the proposed settlement and, if so, that it would cease hostilities on the cessation of all violence.

SWAPO president Sam Nujoma now is in New York for talks with council members and the African group. He, too, has found fault with Dr. Waldheim's plan, specifically, its omission of any reference to SWAPO, which is recognised by the UN as the "authentic representative of the Namibia people."

S. Africans open £144m chemical plant

By Quentin Peel

JOHANNESBURG, Sept. 6. A NEW South African chemical plant, the R230m (£144m) Coalplex scheme at Sasolburg, was formally opened today by Mr. Chris Heunis, Minister of Economic Affairs.

The plant produces PVC and other by-products including caustic soda and chlorine. It is owned by the state-owned Sasol, which is 50 per cent owned by AECI (itself 40 per cent owned by Britain's ICI) and 40 per cent by Sentrachem, which is situated beside the original Sasol oil-refining plant at Sasolburg, from which it gets its ethylene supplies. The plant has been in operation since the last quarter of 1977. At full capacity, it will employ some 1,700 people.

Output of the plant is put at 100,000 tonnes of PVC a year, of which more than 40,000 tonnes will be exported. Coalplex is currently tendering for an Iranian order for 90,000 tonnes.

Mr. Heunis, SMC chairman of Sentrachem, said that although export orders had already been obtained for the full production capacity of one carbide furnace, a second furnace could be commissioned if the Government would provide better export allowances.

The South African Government played an important part in persuading the two South African chemical plants to join forces for the Coalplex project, which Mr. Heunis described as a big trade deficit still remains. German exports to Japan in the first half year rose by nearly 19 per cent against the same period of 1977 to DM 17.7bn while imports increased by 8.5 per cent to DM 3.4bn.

In a newspaper interview, Count Lamsdorf—who has just returned from an Asian tour—said that the Japanese were now moving to open up their market more. This was partly because of the pledges made at the Western economic summit conference in July, partly

because of American pressure. He noted that while several major German firms were represented in Japan, other enterprises had not done enough in the last few years to gain a foothold there. There were many excellent Japanese import firms through which German medium-sized concerns in particular could do valuable business.

Count Lamsdorf also stressed that the Japanese had been even harder hit than the Germans by the recent currency turbulence. Thus the relative competitive position of German manufacturers aiming at the Japanese market had improved.

A different accent on the same topic is laid by the Berliner Tagesspiegel in a recent examination of the consequences of the upward movement of the yen. The paper suggests that this may force the Japanese into ever more technically sophisticated products in which price plays a relatively small role, thus bringing still tougher competition for West Germans in a field in which they currently excel.

Meanwhile, another study just released underlines the extent to which Japanese vehicles are increasingly penetrating the German market. The Deutsche Automobil Treuhand of Stuttgart notes that in the last two years Japan has virtually doubled its automobile exports here. In the first half of 1978 alone Japan sold 48,000 cars on the German market—34 per cent more than in the same period last year.

It was conceivable, the study said, that next year the Japanese could displace Italy to take second place (after France) in the list of foreign vehicle deliveries to the German market.

Reuters reports from Washington that Secretary of Commerce, Juanita Kreps, will head a U.S. export development mission to Japan on October 1, the Commerce Department said.

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MODIFIED TRADE NEWS

Tokyo visit may lead to fibre sales breakthrough

BY RHYD DAVID

COURTAULDS, Europe's biggest fibre group, is hoping for increased sales of its viscose staple fibres in Japan, following talks held recently in Tokyo by Sir Arthur Knight, the company chairman, with officials from the Ministry of International Trade and Industry and from the trading group Mitsu.

The company set up offices two years ago in Tokyo and Hong Kong to spearhead a major drive into Far East markets, and has already built up modest levels of business in Japan for Viloft, its modified viscose staple fibre with special moisture absorbency characteristics.

Following the latest talks, however, the company, one of the world's main producers of viscose, is hoping to increase its deliveries not only of Viloft but of standard viscose which is used, particularly in blends with cotton and synthetic fibres, in a wide variety of apparel end-uses.

Courtaulds is basing its hopes Japanese office will be able to win

sales in two other selected product areas—acetate (widely used in linings) and car seat fabrics. During his visit, Sir Arthur held talks with Japanese car producers, some of which are already doing business with UK fabric groups.

Courtaulds is basing its hopes of being able to increase its share of the Japanese market on the competitive advantage which lower UK manufacturing costs give it. The company believes that with the appreciation of the yen it should be able to land viscose at around 10-12 per cent below the local price, and that this will enable its partner Mitsu to develop business with Japanese textile manufacturers.

The UK company, however, has been experiencing obstacles to increased trade in Japan as its business has built up and Sir Arthur's visit to government officials was intended to iron out these difficulties. Mitsu is understood to have emphasised its commitment to free trade and as such its neutrality on the question of where Japanese manu-

facturers obtain their supplies. Some extra business has been booked by Courtaulds since Sir Arthur's visit and the company is hoping for orders.

Sir Arthur also visited China as a member of the UK delegation headed by Mr. Edmund Dell, Secretary for Courtaulds remains of this visit.

Expansion of securing an order from China for an acrylic plant, Courtaulds supplied a relatively small plant to the Chinese in the 1960s and earlier this year a senior delegation from Peking visited Courtaulds in Britain. A team from Courtaulds is understood to be standing by waiting to go to China when the Chinese are ready to receive them.

Expansion of its man-made fibre production facilities, to release land now used for growing cotton for food purposes, is thought to be a Chinese priority. The Japanese are already involved in the building of a polyester plant but it is thought the Chinese will want to spread their ordering with more than one supplier.

Sell harder to the Japanese, Lamsdorf tells West Germans

BY JONATHAN CARR

BONN, Sept. 6.

WEST GERMAN enterprises were urged today by the Economics Minister, Count Otto Lamsdorf, to redouble their efforts to penetrate the Japanese market.

His statements came at a time when German exporters are registering a sharp increase in deliveries to Japan—although a big trade deficit still remains. German exports to Japan in the first half year rose by nearly 19 per cent against the same period of 1977 to DM 17.7bn while imports increased by 8.5 per cent to DM 3.4bn.

In a newspaper interview, Count Lamsdorf—who has just returned from an Asian tour—said that the Japanese were now moving to open up their market more. This was partly because of the pledges made at the Western economic summit conference in July, partly

because of American pressure. He noted that while several major German firms were represented in Japan, other enterprises had not done enough in the last few years to gain a foothold there. There were many excellent Japanese import firms through which German medium-sized concerns in particular could do valuable business.

Count Lamsdorf also stressed that the Japanese had been even harder hit than the Germans by the recent currency turbulence. Thus the relative competitive position of German manufacturers aiming at the Japanese market had improved.

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Meanwhile, another study just released underlines the extent to which Japanese vehicles are increasingly penetrating the German market. The Deutsche Automobil Treuhand of Stuttgart notes that in the last two years Japan has virtually doubled its automobile exports here. In the first half of 1978 alone Japan sold 48,000 cars on the German market—34 per cent more than in the same period last year.

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Record for oil tanker scrapping

By Lynton McLean

MORE OIL tanker tonnage scrapped during the first half of this year than before, says a Jacobs London shipping yard yesterday in its latest fleet review.

The unprecedented programme contributed to a reduction in the total world of oil tankers from 3,564, at the end of last year, to 3,354 at the end of June 30.

A total of 166 ships, amounting to 7.1m deadweight tons, were scrapped during the six-month period. The previous figure was during the first half of 1976, when 185 ships, totalling 8.3m dwt, were scrapped.

Two-thirds, 104, of the scrapped ships belonged to private owners and 57 were company ships, with an average age of 18 years.

Deliberate scrapping was mented by three total less sea, including the Amoco, which was scrapped at the yard's coast this summer. Losses amounted to 282,321 tons.

The world tanker review, that Liberian flag vessels, totalling 104,4m dwt, were scrapped. The UK's second, with 269 vessels totalling 29.2m dwt, followed by 191 ships at 23.7m dwt.

The report said that 41m dwt were built and delivered in first six months of this year, 2m dwt less than for the same period last year.

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Syrians and Christians clash in heavy Beirut fighting

BY HSAN HIJAZI

BEIRUT, Sept. 6.

SYRIAN TROOPS of the Arab peace-keeping force fought with Christian militias all night in the south-eastern suburbs of the Lebanese capital. There has been a number of casualties and several fires broke out in the quarters of Ain El-Rummaneh and Chiyah, according to eyewitnesses.

Artillery and rockets were used in the exchanges which newspapers attributed to the beginning today of the Camp David summit on the Middle East. Officials here believe that certain elements in Lebanon would like to "keep the pot boiling" while

the talks between President Carter, President Anwar Sadat and President Menachem Begin were under way.

The intensity of the fighting eased at day-break, but the area was declared unsafe for civilian traffic because of continuing fighting and the danger of another outbreak of artillery and rocket duels.

During the bombardment a number of shells fell on the predominantly Moslem quarters of west Beirut and in a neighbouring area where a large Palestinian community resides.

Some booms today over Beirut caused by Israeli fighter planes added to the tension. The jets flew at high altitudes leaving behind long lines of white smoke.

Observers here said the Israeli over-flights were intended as a show of force to reassure the Christian militias, as their leaders and the media have been playing up reports about an alleged Syrian military buildup here.

The daily Al Amal, organ of the main right-wing faction, the Phalange party, claimed Soviet military technicians were helping the Syrians in setting up missile and anti-aircraft sites in Lebanon.

Informed military sources, however, said that whereas the Syrians have been strengthening their positions because of the possibility of a military intervention by the Israelis, most of the reports about the build-up are grossly exaggerated.

The guidelines in a precautionary move, have called off marches which were to be held here today to protest the Camp David summit.

Reuters adds from Sidon: Angry Palestinian demonstrators protesting against the Camp David summit, today, burned an effigy of President Sadat. They also set off slogans attacking the Egyptian leader and his peace policy towards Israel.

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BY IVOR OWEN, PARLIAMENTARY STAFF

Inner city clean up will cost £15m

Shoe industry agrees to improve service

Akroyd expands range

Crown Agents' changes

Payments balance goes into £1.49bn deficit

BALANCE OF PAYMENTS £M

	1976	1977	1977	1978
	Abs.	Abs.	Net	2nd
	mln.	mln.	mln.	est.
CURRENT ACCOUNT			Seasonally adjusted	
Treasury balance	-3801	-189	+127	-135
Trade balance	+2413	+298	+512	+375
Current balance	-1387	-591	-507	-239
Current balance	-1387	-591	+523	+323
Investment and other capital transactions	-396	-	Not seasonally adjusted	-1139
Balancing item	+436	+2642	+523	-679
Balance for official financing	-2627	-7361	+1032	-1084
OFFICIAL FINANCING				
IMF	+1012	+1113	0	0
Other monetary authorities	-36	0	0	-585
Foreign currency borrowings	-	-	0	0
By Government	0	+271	0	0
By public sector	+1702	+933	+14	+591
By private sector	-	-	-	-
Total	+853	+288	+2006	+46

* Drawings on S.D.B. Reserves facilities by Government and \$250m New York bond issue. Source: Central Statistical Office.

BY TERRY DODSWORTH AND ARTHUR SMITH

Holiday delay cover

expansion

Second

The change of feedstock will also increase the plant's productivity and will boost capacity by about 40 per cent.

The neoprene plant at Maydown was the second to be built in Europe by Du Pont. It came on stream in 1960 and several synthetic fibre plants have been added. About 1,800 people are employed at the site.

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

TRAFFIC THROUGH. British ports increased slightly last year—due entirely to a higher level of oil consumption. The depressed 1976 level of just under 122m tonnes. An increase of 4m tonnes in exports was offset by a similar decline in imports.

Fuel traffic, both foreign and coastal, totalled 336.2m tonnes last year, an increase of 15m tonnes on 1976—but was still 5m tonnes below the peak year of 1974.

There was a big increase in the flow of oil from the North Sea to British ports and this benefited terminals in East Scotland and North East England at the expense of the traditional discharge ports in Wales and South East England.

Altogether 9.8m tonnes of oil was shipped by tanker from the North Sea into Britain, compared with 3m tonnes in 1976 and 0.4m tonnes in 1975.

This led to a spectacular increase in the volume of goods moved through certain ports. The Forth ports, for example, increased volume by 84 per cent and there were also healthy increases for the Tyne, King's Lynn, Great Yarmouth, Felixstowe, Ipswich and Harwich.

Another year of growth in container and roll-on roll-off traffic benefited certain ports—notably on the East coast where ports are able to take advantage of increased trade with mainland Europe.

Overall, 35.5m tonnes of container and roll-on roll-off business was handled last year, an 8.5 per cent increase on 1976, and again a record. Of this total, 60 per cent was carried by ro-ro services.

Dover, which handles roll-on roll-off but not container traffic, is the leading unit load port and last year had a total throughput of 4.9m tonnes, a 22 per cent increase on 1976.

Business at other large ports continued to decline. Traffic was down 20 per cent at Liverpool and 25 per cent at London. Southampton also suffered a 10 per cent decline.

Passenger movements in and out of the UK which doubled between 1968 and 1976 continued to grow. Last year's total was 3.7m higher than the 1976 figure.

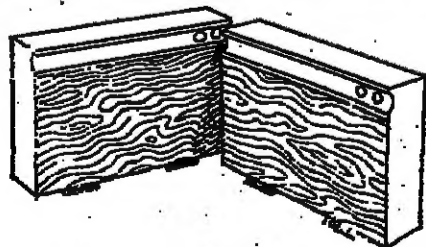
Of last year's total, 34m travelled by air and 18.1m by sea. Dover was the busiest passenger sea point with 7.6m passengers. There were also increases in the numbers of accompanied pets and vehicles.

Annual Digest of Statistics.
NPL, Commonwealth House, 1-19, New Oxford Street, London WC1A 1DZ. £10.

ECONOMY 7

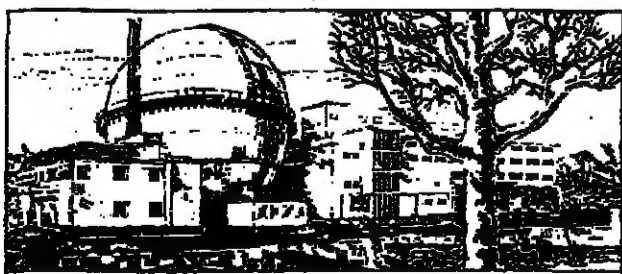
Electricity's new low-price off-peak tariff: how it works, and how it can save you money.

It gives you seven hours of night off-peak electricity at just over a penny a unit. That's a lower rate than any other domestic tariff. So if you already have electric storage heating and/or water heating, on a tariff that gives you off-peak electricity at night only, without a daytime boost, it could pay you to switch to Economy Seven right away.




And if you're planning to start electric central heating, then Economy Seven will give you your off-peak units at the lowest possible rate.

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HOME NEWS

Development agency
spending runs
ahead of its funds

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE SCOTTISH Development Agency is likely to have spent its entire £300m budget before the five years it is intended to cover are up.

Sir William Gray, chairman, said yesterday that before 1980, when it will be five years old, the agency would have to scale down its activities unless further funds "were available".

"Governments of whatever party are going to have to face the fact that, with our rising growth in expenditure, the agency is going to run out of money very quickly."

"Substantial funds have got to be made available if our growth is to continue and our help to industry is to continue," he said.

The agency's report for the last financial year shows that £51m was spent, compared to £25m in its first 15 months.

Sir William said that the agency expected to spend another £50m this year and more than £100m next year.

Most of the expenditure still goes on advance factory building and renewal of derelict land, but the amount devoted to industrial investment is growing rapidly.

From £6.8m in 1976-77, it had reached £17.2m last year.

The 26 companies in which the agency has a stake made a combined operating profit of £968,000 last year, representing a return on investment of 8 per cent.

However, after allowing for interest and other provisions, this became a loss of 3.3 per cent.

The Government said recently

that the agency had a financial duty to achieve an average annual return of 15 per cent on its companies by 1980-81. Calculated to Treasury requirements, the return last year was 9 per cent.

Two companies in which the agency had a stake collapsed last year, with a total loss of £296,000. This compared with one failure the previous year at a cost of £105,000.

Mr. Robertson, chief executive, defended the agency's policy of continuing to accept risk investments and said it would not be deflected from its task by a few failures.

The money lost was 8 per cent of the total investment, or 2 per cent of total spending—a performance comparable to or better than many private holding companies or financial institutions.

"We are here first and foremost for Scottish economic development and to create jobs in Scotland. Financial duties are one way of measuring our success, but only one way."

"We also have to look at the jobs in invested companies and in the factories we are building, and at the vigorous technological development started in them. Financial duties will be kept very closely in view by the agency."

He said the agency was not a source of soft loans and could not give grants. This was becoming increasingly apparent to companies, and the number coming forward reflected this fact.

Investment reserve
idea 'unattractive'

BY DAVID FREUD

SCHEMES AIMED at smoothing the UK investment cycle through tax concessions would not work because of the structure of capital allowances, says a National Economic Development Council committee.

A working party, led by Sir Jeremy Morse, chairman of Lloyd's Bank, concluded that an investment reserve scheme was "not attractive" unless the tax regime was changed.

This finding effectively rules out any prospect of such a scheme being introduced. The idea, modelled on Swedish practice, was first proposed in 1963.

The Committee on Finance for Investment set up the working party investigation two years ago.

The working party report, published yesterday, said that releases from the Swedish Invest-

ment Fund were generally considered very effective in their counter-cyclical impact during recessions in the 1960s.

The fund effectively provided participating companies with 100 per cent first year depreciation allowances when they invested out of it, whereas for companies and investment projects outside the scheme, allowances were spread over the years in the usual way.

The party said that while it was likely the British economy would benefit from a deregulation of the investment cycle, a similar scheme was unlikely to bring quick results.

Britain already had 100 per cent first year allowances for vehicles, plant and machinery, so far more investment than in Sweden got the benefit of effective "free depreciation."

Job-changers penalised
on pensions, says Which?

FINANCIAL TIMES REPORTER

EMPLOYERS' Pension schemes are penalising people who change jobs and do not help the aged as much as they could, according to Money Which? published yesterday.

The Occupational Pensions Board—an official body which supervises aspects of the schemes—has been asked by the Government to investigate the pension problems of job-changers.

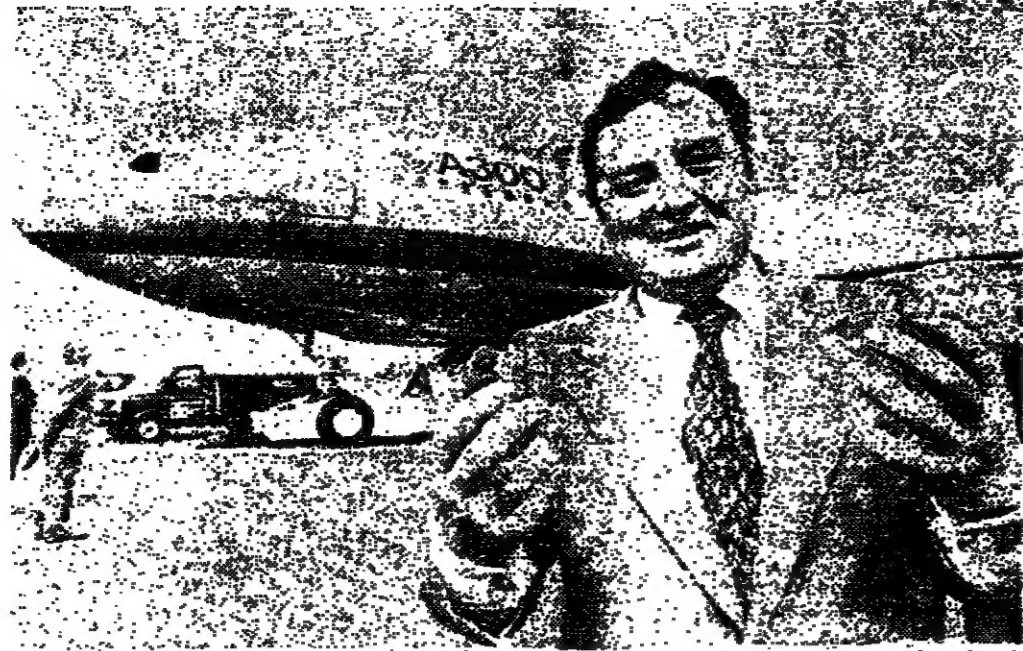
"It seems unjust for people who have contributed similar amounts to similar pension

schemes to get vastly different pensions according to the number of times they have changed jobs," the magazine says.

"While many people who change jobs do so to get promotion and a pay increase, many others change jobs involuntarily through redundancy."

The possibility of people losing out on pensions could be a deterrent to changing jobs—which reduced the flexibility of the workforce.

The top of many pension schemes was being kept down because of losses incurred by people who changed jobs.



M. Bernard Lathiere pictured with the A300 Airbus.

Laker negotiates
to buy Airbus

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

LAKER AIRWAYS, one of the UK's biggest independent airlines, is in an advanced stage of negotiation with the European Airbus Industrie Group for the purchase of up to six of the 250-seat B-4 version of the Airbus with options on at least four more aircraft, for use on its short to medium routes throughout Western Europe. This deal could be worth up to £75m.

The Laker interest in the Airbus became known at the Farnborough Air Show yesterday. Laker Airways confirmed that it was negotiating with Airbus Industrie, but declined further comment. Laker is known, however, to have been interested in the European Airbus for several months as a possible replacement for its fleet of One-Eleven short-haul jets for inclusive tour holiday flying.

Airbus Industrie made it clear that, while it was negotiating with a number of airlines for further sale of Airbus, including Laker, it could not comment on individual negotiations.

Any Laker commitment to the Airbus would represent the first purchase of the aircraft by a UK airline.

Such a deal could go some way towards meeting French objections to British participation in development of the new A-310 version of the European Airbus, because no British airline has yet committed itself to any version of the aircraft. The French have wanted to see a commitment to the Airbus from British Airways as part of Britain's

Tyne engineering faces
'uncertain future'

AN UNCERTAIN future is predicted for Tyne's heavy engineering industry in a report of a six-month investigation into ways of attracting new investment.

The report, by Newcastle

Council's planning and management services departments, says that there is a heavy dependence on a small number of big engineering factories which show no signs of immediate growth.

Major British share in joint
air weapon project

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE UK AND US Governments are developing a new "advanced" aircraft attack system, a type of "cluster-bomb," named the JP-233.

The Ministry of Defence said yesterday that the new weapon system, designed to be used by the UK, West Germany and Italian Tornado multi-role combat aircraft, as well as by F-111 attack aircraft of the US Air Force, was in full development.

A significant feature of the Anglo-American agreement is that while the cost of the development, likely to amount to

many millions of pounds, is being borne jointly by the UK and the US, most of the work on it is being done in the UK.

The prime contractor for the development is Hunting Engineering, and it is expected that most of the work will be done at factories in Wales, Manchester and the South-east of England.

About 1,200 people will be employed initially, but when the weapon system goes into quantity production, this figure is expected to increase considerably.

Few details of the new weapon are being disclosed by the

Ministry of Defence. But it is known that its purpose is to destroy enemy airfields used for the take-off and landing of conventional military aircraft.

In the West, the UK and the US have developed various versions of the Harrier vertical take-off and landing aircraft to ensure that they can retain a combat capability in the forward battle zone even when conventional airfields are destroyed.

So far as is known, the air forces of the Warsaw Pact nations do not yet have a comparable development in such an advanced stage.

Chrysler U.K. sale
would boost French
power, says Powell

BY RUPERT CORNWELL, LOBBY STAFF

THE GOVERNMENT was urged last night by Mr. Enoch Powell to veto the proposed sale of Chrysler UK to Peugeot, to prevent the company from becoming in effect part of a French state bent on securing "economic and political hegemony in Western Europe."

The former Tory Cabinet Minister, now Ulster Unionist MP for South Down, told Chamberlain's Conservative Club that he had never been afraid of foreign purchases of assets in the UK, especially when they added to the stock of Britain's productive capital.

However, the Peugeot-Chrysler deal not only threatened to bolster France's position in Europe, but was a further step towards this country's complete enmeshment in the Common Market—something to which Mr. Powell is opposed.

The speech, Mr. Powell's second of note on successive days, is a sign that he intends that his voice should be heard as much as possible during the election campaign, which seems certain to begin within a few days.

The most striking section was the distinction he drew between the virtues of a Chrysler controlled by a U.S. parent and one subordinate to a French group, which would become a part of French industry and as such part of the French State.

"In France, major firms are as much instruments and arms

of the State, serving national purposes, as if they were units of the French army." The French State, he said, was more civilised and humane, more deep and potent as in Russia.

The effect of the proposed deal was political and not economic, he said. Should the Government—as was its right—block the replacement of one set of foreign owners of Chrysler UK by another, the American group would have to choose between hanging on to its British subsidiary or finding another buyer acceptable to the Government.

A Chrysler in French ownership would belong to a different scene. "That scene is French hegemony in Western Europe—a hegemony economic as well as political. True, it is a hegemony in the making, but a hegemony none the less."

Britain's entanglement in the Community was the assertion of continental hegemony over the island nation—and offshore.

Mr. Powell said that the French was today a practical and growing reality.

"If they understand, Her Majesty's Government will say 'No,'" Mr. Powell said.

Micro-processors
backing by Britain
'could be wasted'

BY MAURICE SAMUELSON

DOUBTS ABOUT the prospects for setting up a successful micro-electronics industry in Britain—even with Government backing—were voiced yesterday by a representative of Texas Instruments, the U.S. multi-national semiconductor company.

Mr. Robb Wilmot, managing director of Texas Instruments U.K. subsidiary, said that national industries would find it "very difficult" to become viable in view of the rapid advances in equipment made by multi-national companies such as his own.

He was speaking on the eve of a statement by Texas Instruments about further advances in possibly concerning the long-awaited 64K RAM (random access memory, housing 64,000 pieces of basic information).

The British Government's allocation of £70m to boost manufacture of semi-conductors and micro-processors was "useful," but the money would be better spent on the user end of the industry than on establishing U.K. capacity to produce components, he said.

It was instructive to compare the £7m which the Government collected in income tax from all the employees in the UK semiconductor industry, with the £25m which the Texas Instruments Board was committing to launch the newly-created UK-based micro-electronics company.

Nevertheless, Texas Instruments was expanding its own investment here. New automated production lines were being moved to its plant at Plymouth and a new facility was being expanded at Bedford.

Cafe Royal
wins award

THE GOLDEN Forks of the Committee of European Excellence will be awarded to the Cafe Royal, Regent Street, London, at a reception next Tuesday. It is the first time a British restaurant has been awarded this premier gastronomic honour.

Mr. Serge Valisiera, president of the committee, will present the award, a marble statue entwined with golden forks.

Both men were commended against the background of the initiative for closer monetary relationships in Europe taken at Bremen and Bonn earlier this year.

Boost Mr. Jenkins says that his proposals on monetary union are designed "as a step towards the completion of the Common Market which still does not exist."

It would give a major boost to business confidence by removing exchange rate risks and inflation uncertainties between member states.

He envisaged a monetary institution which, when fully achieved, would be "not too dissimilar from the U.S. Federal Reserve system."

He said that full monetary union would involve a single inflation rate.

Dr. Enghinier says it would be unrealistic to resist the possibility of changes in exchange rate parities.

Asked whether he would be prepared to accept a compromise rate of inflation between, for example, the current rates in Germany and Britain, he said it would not be acceptable to them to harmonise the inflation rate upwards.

"We will not accept rules of the game which imply such a implication or anything more than a tolerable rate of price increase." This rate he puts at 1 to 3 per cent a year.

U.S. plan
to set up
plants
in UK

FINANCIAL TIMES REPORTER

CONTINENTAL CAN, one of the U.S. is considering setting up two or three can manufacturing plants in the UK. It is an unusual move, largely prompted from doing this under a new agreement with Metal Box, Britain's biggest can producer.

Continental Can—an enormous subsidiary of Continental Group, reputedly the world's largest supplier of diverse packaging materials—said yesterday that its board in New York had not yet taken any "major decisions on the British venture and that none was imminent."

Approaches to the "Big Steel Corporation about supply of tin-plate are understood to have been made. Such a move would bring Continental Can in direct competition with Metal Box, with which it had long-standing relations for more than three decades until an agreement was reached last year.

The agreement, first signed in 1967, covered the supply of tin-plate in operation between the two companies. Metal Box and Continental Can swapped patents, trade secrets and technical development.

The British company wanted to re-negotiate, because the agreements stipulated that no partner should use patents or trade secrets supplied by the other in any country where the company operated a subsidiary or had granted a production licence.

In April Metal Box took a 75 per cent stake in a joint venture can-making venture with Standun Incorporated of California.

Monetary union differences DIFFERENCES in the approach to proposals for closer European monetary integration are highlighted in The Banker magazine published today.

Mr. Roy Jenkins, the president of the EEC Commission, looks for a monetary union in the Community, with the aim of the currency for all the members.

Dr. Oskar Ebbinghaus, president of the Deutsche Bundesbank, comments on the short-term prospects for progress, talks about creating a "zone of monetary stability" in Europe.

He says that the aim is "a system of genuinely fixed but genuinely adjustable exchange rates, and a system which would embrace as many European countries as would be ready to join."

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OBITUARIES
Leo Wright
Mr. Leo Wright, president of Tomatin Distillers, has died at the age of 76. He joined Tomatin in 1919 and became a director in 1940. He was managing director from 1945 to 1968. He was also on the management committee of the Malt Distillers Association from 1948 to 1972.

Angus Kennedy
Mr. Angus Kennedy, former chairman of Ault & Wibberley, has died at the age of 87. He joined Ault & W in 1921, became managing director in 1928, and chairman in 1966. He retired in 1969.

Mr. Kennedy was responsible for the flotation of A and W as a public company in 1934. He was past president of the Society of British Printing, Ink Manufacturers, and of the Printing Charitable Corporation.

Chemistry
of sex
traps pests

NEW PRODUCTS for controlling pests, based on the use of sex-attracting chemicals, named pheromones, have been developed commercially available.

Dr. Peggy Ellis, of the Centre for Overseas Pest Research in London.

In Britain, it was believed that these species-specific pesticides—expected to be non-polluting—might be valuable against many fruit and vegetable pests, including the codling moth, the pea moth and the cutworm.

The active ingredient of the pesticides—under development for more than a decade—was a synthetic version of the sex pheromone used to attract the male. The chemicals were costly to make but only a small amount was needed.

Synthetic pheromones could now be used to lure several moths and beetles into a trap. Leaf-cutting worms in Lucerne had been drastically reduced by trapping males in this way.

Damage to fruit by grape berry moth caterpillars in the U.S. was cut from 15 to 6 per cent.

Dr. Ellis also described the "confusion" technique of luring pests, in which the release of a pheromone in the area of a crop could prevent male and female pests from finding one another.

To control the pink bollworm in cottonfields, a machine had been used to place loops of synthetic fibre incorporating the chemical—on the cotton plants.

Tate and Lyle to spend £20m
on sugar-to-chemicals venture

TATE AND LYLE has committed £20m to the development of new uses for sugar cane and other crops, as sources of energy and chemical feedstocks, its chief executive for research and development told the British Association at Bath yesterday.

A new Tate and Lyle factory, expected on-stream near Liverpool early next year, will produce for the first time anywhere—premium-value chemicals from sugar, said Prof. A. J. Vitos in his presidential address on "creative botany" to the botany section.

The technology had been developed, but Britain was using nearly 1,000 tonnes of oil-equivalent per person to provide the average consumption of 31 kilograms of protein a year.

This was as much as the commercial energy consumption per head for all purposes in the developed world, said Prof. Wilson.

It required more than 12 tonnes of oil-equivalent to land an edible tonne of "luxury" shrimps in some countries.

In Britain, glass-house heating accounted for 25 per cent of the oil-based fuels used in agriculture. Fuel for early tonaloes

Another new venture by his company sought to engineer a packaged alcohol distillation plant, which it would try to sell to tropical countries.

It would aim at replacing the relatively crude stills used by cane-sugar factories in Brazil and Pakistan to make alcohol from sugar-cane as a fuel.

Brazil was already running 15 per cent of its cars on a mixture of fermentation alcohol and petrol, but the stills used were very primitive.

Flat expected to be in production for Brazil shortly with application of "genetic engineering" could also be used to make plants fix nitrogen more efficiently.

Although agriculture used less than 4 per cent of national energy consumption to provide more than 55 per cent of total energy content of UK food, when processed was nearer 16 per cent of national energy consumption. This was similar to figures quoted for Australia and the U.S.

In the short term, energy savings would slightly modify patterns of agriculture. But in the long term, agriculture "must become less dependent on energy-supporting systems and this will have a major effect on production systems."

Changes could include husbanding different species which require low energy inputs on land or water not previously used for food production. The

new car engine, named the Tatum, designed to run on a 30 per cent alcohol-petrol mixture.

Although for most countries it was still cheaper to make ethanol (industrial alcohol) from ethylene, within 15 to 20 years it would be cheaper to make ethylene from alcohol fermented from energy crops such as sugar.

Agriculture was the most important, yet most neglected, technology for harnessing solar energy. Sugar-cane and cassava represented two of the most efficient devices for collecting solar energy.

Few details of the new weapon are being disclosed by the

Ministry of Defence. But it is known that its purpose is to destroy enemy airfields used for the take-off and landing of conventional military aircraft.

In the West, the UK and the US have developed various versions of the Harrier vertical take-off and landing aircraft to ensure that they can retain a combat capability in the forward battle zone even when conventional airfields are destroyed.

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Congress pledges restraint but rejects pay policy

THE TUC conference carried three major economic and pay motions yesterday which made clear to the Government that there would be no further overall co-operation. In a TUC pay policy and that the TUC would firmly oppose any Government attempts to interfere with wage bargaining under Phase Four of its anti-inflation policy.

In composite motion 18, Congress pledged itself to playing its part in pursuing policies aimed at reducing inflation, increasing living standards, and reducing unemployment.

The motion urged the Government to adopt the trade unions' proposals for increased public enterprise with public supervision of investment. It also called for new planning with "the constructive use" of North Sea oil revenues to boost public sector and the trade unions on the objectives of reducing unemployment and containing inflation.

Mr. Len Murray, TUC general secretary, said the Government's "frozen" pay policy was "a rigid formalised attitude" on pay policy. He also reminded the Government that last year's TUC agreement on the 35-hour week for wage settlements was formally ended. It would now be up to unions themselves to decide when their next wage round began.

On the need for an end to rigid pay policy, Mr. Murray emphasised that there had to be sufficient flexibility if unions and employers were to sort out difficult problems and anomalies and to take account of profitability without solely basing decisions on the number of jobs or the number of hours.

Mr. Murray was explaining to the conference the TUC and Labour Party Liaison Committee's thinking behind its paper "Into The Eighties: An Agreement". He repeated that a rise in living standards over the coming year would depend on the Government's economic and social policies and trade union response to them, rather than on pay guidelines.

Short arms
In arguing against an imposed rigid pay policy, the TUC had impressed on the Government the existence of labour control, namely, that employers were sitting on the other side of the table and that employers, including those in the public sector, had "very short arms and keep their money in their socks."

On the TUC view, the Government was also seriously underestimating the lessons that trade unionists had learned from the inflation of 1974 and 1975.

"We believe that the memories of these events are still vividly strong in the minds of negotiators and those they represent."

On the trade union case for the shorter working week, Mr. Murray conceded that this was by no means the full answer to unemployment.

The case for a 35-hour week was that it was now high time to give people more leisure and "to put an end to the antiquated idea that some classes of workers have some sort of natural right to a shorter working week than others."

Mr. Murray said that the TUC was not prepared to interfere in the independence of union negotiators in voluntary collective bargaining with employers, either was it necessary or desirable for the Government to be sitting on the other side of the table as well holding the employer's hand—and holding it tight at that.

Mr. Murray said there was no disagreement between the Gov-

Trade union priorities for voluntary collective bargaining were set in composite motion 12 (carried overwhelmingly but not unanimously) which backed the freedom of unions to negotiate in their members' interests.

The motion firmly opposed Government intervention in wage bargaining and "any form of restrictive Government incomes policy."

Priority included negotiation of a 35-hour week, a reduction in overtime working, the creation of just and adequate differentials and an end to discrimination against public sector workers.

Composite motion 11 sought a reduction in unemployment as "the highest priority" with a major cut in working hours and early retirement as a means to that end.

On the special problems of the public sector, composite motion 13 blamed the cash limits system for diminishing standards in public services.

Conference threw out overwhelmingly a motion moved by the National and Local Government Officers Association which recognised that the Government would "always take a view" on the level of wage settlements and which said that free collective bargaining had "never been a reality" in the public services.

Mr. Evans suggested that full achievement of the 35-hour week could create up to 750,000 jobs, 200,000 of them in the public sector.

The trade union movement must make it clear that nationally determined pay levels could impede moves to create jobs through the shorter working week. He reiterated the negative attitude of the Government's White Paper on pay policy for the coming year.

"The Government must continue to be made aware of our determination to bargain for the shorter working week without being impeded by the 5 per cent pay policy."

An effective attack on low pay in the public services must be made this year, declared Mr. Alan Fisher, general secretary of the National Union of Public Employees.

He was moving a composite motion urging the adoption by the Government of an economic strategy providing for increased public ownership and enterprise, public supervision of investment and the development of new systems of planning.

The first priority, said Mr. Fisher, must be to attack low pay. This union had decided to press for a £50 minimum wage.

"The employers will not like it and I don't suppose the Government is going to like it but this year we have said we must make an effective attack on low pay in the public services."

Mr. Roy Grantham, general secretary of the Association of Professional Executive Clerical and Computer Staff, warned trade unionists against the danger of taking for granted a close relationship with the Government.

He applauded the Labour Government's achievements in Government, and not by work-



Congress reports by Christian Tyler, Labour Editor; Alan Pike, Pauline Clark and Philip Basset. Photograph by Terry Kirk



Mr. Len Murray addressing the conference

general secretary of TASS, the white-collar section of the Amalgamated Union of Engineering Workers.

The composite motion, he declared, at last took the trade union movement along the right road. "Judging by many of the dramatic conversions, it will take us to full employment via Damascus."

Congress had listened to the Prime Minister on Tuesday and he hoped that the Labour movement would now listen to the united voice of Congress.

Congress must not allow a genuine desire to support the Labour Government to be clouded from the vision of where it was going.

Mr. Ken Baker, national industrial officer of the General and Municipal Workers' Union, supporting the motion proposed by Mr. Daly, said that his union regretted that the Government had decided to try again to enforce another rigid pay ceiling. It was unnecessary and counter-productive if it was to be enforced by crude sanctions.

Programme could be made only by bargaining freely.

Mr. Bill McCall, general secretary of the Institution of Professional Civil Servants, said that Mr. Callaghan, in his speech to Congress on Tuesday, had grossly distorted the trade unions' position on free collective bargaining.

The composite motion was not a licence for irresponsibility and it was not a certificate for anyone to push their own pay claims to the detriment of others. Pay differentials had not just been compressed by incomes policies, but had been turned upside down. Action had to be taken now.

Supporting NALGO's independent motion on pay, which was defeated by a large majority, Mr. Sid Weighell, general secretary of the National Union of Railmen, said that wages could not be seen in isolation to the nation's general economic position.

It was illogical to want state planning to deal with all other markets but to want a free market economy to deal with pay. Representing an area of opposition to the composite motion 12, Mr. Tom Jackson, general secretary of the Post Office Workers' Union, said the union preferred a pay policy to be negotiated with the backing of 11.5m trade union members.

Mr. Doug Hoyle, H.P. president of the Association of Scientific Technical and Managerial Staffs, urged the British Government not to be stampeded into making a hurried decision on the Peugeot-Citroen offer. If Leyland and Chrysler were to merge BL would be able to stay in the big league. This was one of the alternatives to be considered.

Solemn burial for wage limits

AFTER loudly praising James Callaghan's TUC yesterday, Mr. Murray dramatically buried his 5 per cent incomes policy.

But the ritual was soberly and solemnly performed with pledges of continued restraint and responsibility.

Mr. Len Murray emphasised, the return of free collective bargaining would be heavily influenced by the cautionary memories of inflation in 1974 and 1975.

What the TUC was warning was only the Government's "rigid" figure and its "frozen attitude."

The TUC was not "hell-bent on confrontation," said Mr. Murray. There would be enough constraints on union negotiators without the Government's deadening hand.

Mr. Murray dramatically but pointedly suggested that unions should make the hour week a priority in their bargaining.

Congress joined overwhelmingly to completing the formal despatch of the policy into which, only 24 hours earlier, the Prime Minister had tried to breathe new life.

Mr. Ken Thomas, of the Civil and Public Services Association, in perhaps the most joyful of yesterday's funeral orations, declared incomes policy "dead, finished and defunct."

Strike may hit chemical supplies

SUPPLIES of some chemical products could be hit if the strike at BP Chemicals' Baylham complex goes on for another week or more. The strike entered its second week yesterday.

Production has been halted and the 1,250 workforce laid off.

Negotiations are still taking place between management and the main union involved, the Transport and General Workers.

But there are no signs of a settlement.

The unions have agreed to provide safety cover and keep the plant warm to allow a quick resumption of production.

The plant was closed on a pay offer of about 18.5 per cent to blue-collar workers at the plant, subject to a tightening up in work procedures. This deal was accepted by the Electricals' trade union but not by the Amalgamated Engineering Workers and the Transport and General.

The strike was triggered last week when management proposed to enforce the improved work procedures anyway on the grounds these already formed part of past productivity agreements.

Only 34 crewmen at Greenock, where the dispute over safety of the CF25 and CF26 ambulances began seven weeks ago, were refusing to accept the recommendation from their union, the TGWU, to lift the ban imposed after several accidents caused when rear wheels fell off.

The ambulance service, which had threatened to suspend any of the 1,400 crewmen who refused to drive the Bedford trucks, have given the men until the end of the week to come into line with their colleagues. Talks between TGWU officials and Greenock stewards are to take place tomorrow.

The agreement between the service and the union to end the dispute involves a complicated procedure for ensuring the security of Bedford rear wheel nuts, and confirmation that the men have legal indemnity from any claims arising from accidents caused by the loss of a wheel.

35-hour week urged to cut unemployment

UNIONS should not be impeded in their efforts to achieve a shorter working week by the Government's pay policy. Mr. Moss Evans, general secretary of the Transport and General Workers' Union, told Congress.

Mr. Evans was moving a composite motion demanding a major reduction in working hours to help overcome continued high unemployment. Many delegates, he said, remembered what mass unemployment meant before the war. Social security might have taken the sting out of unemployment today but there remained no really adequate compensation for being without a job.

Between now and 1981, another 900,000 workers would come onto the labour market at a time when there were fewer and fewer job opportunities. He was confident that a reduction in the working week would be a major way in which to create jobs.

Mr. Evans suggested that full achievement of the 35-hour week could create up to 750,000 jobs, 200,000 of them in the public sector.

The trade union movement must make it clear that nationally determined pay levels could impede moves to create jobs through the shorter working week. He reiterated the negative attitude of the Government's White Paper on pay policy for the coming year.

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Miss Joan Lester

He regretted the Government's insistence that agreements with employers on a 35-hour week should be entered in the overall pay package.

Mr. Lester also supported the creation of new jobs through the expansion of the public sector—an aim that was "indefinitely postponed" as an economic contribution since it would boost private spending or at the same time reduce public expenditure by reducing the need to pay unemployment benefits.

Thirdly, he said there was a need to deal with substantial injustices in the present system. Because there was no quick solution to unemployment, benefits should be improved.

The 35-hour week and voluntary early retirement, though laudable objectives, were not the answer to unemployment and our economic difficulties, Miss Joan Lester, MP, chairman of the Labour Party, told Congress.

Miss Lester, a fraternal delegate, said that the return to full employment had to be planned in programmes of policies made jointly by the TUC and a Labour Government, and not by work-

cutting inflation and urged delegates to heed the dangers that lay ahead.

Trade unionists needed to work with the Government, with joint acceptance of the need for recognition of the problems of differentials and of the low-paid.

Mr. Geoffrey Drain, general secretary of the National and Local Government Officers Association said that in tackling unemployment there were three main routes.

The first was the operation of employment work sharing through the organisation of overtime and the introduction of earlier retirement.

He regretted the Government's insistence that agreements with employers on a 35-hour week should be entered in the overall pay package.

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Chrysler protest support

CONGRESS gave the minimum backing to an emergency motion expressing "gravest concerns" at the Chrysler Corporation's agreement to sell its European operation to Peugeot-Citroen without consulting the British Government.

The motion demanded the firmest guarantees on jobs as a condition of any take-over.

Mr. Bill McCall, general secretary of the Institution of Professional Civil Servants, said that Mr. Callaghan, in his speech to Congress on Tuesday, had grossly distorted the trade unions' position on free collective bargaining.

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Mr. Doug Hoyle, H.P. president of the Association of Scientific Technical and Managerial Staffs, urged the British Government not to be stampeded into making a hurried decision on the Peugeot-Citroen offer. If Leyland and Chrysler were to merge BL would be able to stay in the big league. This was one of the alternatives to be considered.

Mr. Grenville Hawley said on behalf of the Transport and General Workers' Union that the British Government had been "exploited" by the Chrysler Corporation. The company had obtained up to £150m which had gone to Peugeot-Citroen, improving the profitability of Chrysler UK or had been retained in the United States.

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Demand for study of building industry

CONGRESS called for the Government to prepare a White Paper proposing decentralisation of the building industry.

Mr. Frank Chapple, general secretary of the Electrical and Plumbing Trades Union and a member of the TUC Construction Industry Committee, said that the voluntary registration agreed between employers and unions, announced by the Government on August 1 must be made to work. That did not mean, however, that the union accepted that there should not be a statutory registration scheme.

Mr. Les Wood, assistant general secretary of the Union of Construction and Allied Trades, proposing a motion on decentralisation, said that direct labour in the industry, said that a compulsory register with statutory backing was the first major requirement.

It could pave the way to proper manpower planning, and would be the springboard from which trade union demands could be met for full backpay during periods of unemployment, redundancy pay on the basis of service to the industry rather than to a particular employer, and an industry-based pension scheme.

Construction workers in an industry with no job security, "atrocious" working conditions, "appalling" safety standards, and very little chance of redundancy pay were now well behind workers in any other industry.

Decentralisation in Direct Labour Organisation (DLO), accountable to local electorates, was reflected in a high level of unionisation and extensive joint regulation of working conditions.

Mr. Bill Rankin, deputy general secretary of the National and Local Government Association, said: "The public must be made aware of the great advantages of direct labour and not be deceived by the propaganda of the free enterprise lobby."

"The defence of existing direct labour departments in the face of these politically motivated attacks is very important both to preserve jobs and to prevent the destruction of valuable local authority assets."

DLOs made far better provision than most private contractors for pensions, holiday pay, sick pay, and welfare facilities. The best DLOs produced work which was cheaper, done more quickly, and to a higher standard than private contractors.

In future, DLOs should be allowed to compete for the work of other public bodies in their areas, and eventually to compete for any construction work in the area.

Firemen angry

THE TUC Finance and General Purposes Committee was criticised for its refusal to back the firemen in their strike against the Government's Phase Three 10 per cent pay policy last year.

Mr. Willie Barber, president of the Fire Brigades Union, said that the decision by the committee, which, though very close, was far from unanimous, had not been received kindly by his members.

He thanked the trade unions for their support in the strike. More than £1m was given to the union's strike hardship fund, all of which had gone to members.

Mrs. Thatcher stopped the issue of free milk to schoolchildren when she was Minister of Education.

Trade unionists ought to bear this deplorable situation very forcibly in mind, in view of the Tories' wailing of them in preparation for an election.

Congress backed a motion calling on the Government to encourage further expansion of British agriculture, and Mr. Willie Barber of the NFU-AWW, said that agriculture could play a much greater part in the economy if the Government took action.

He paid tribute to Mr. John Silkin, Minister of Agriculture, for defending "the most effective marketing system of our most perishable product" in his battle against the EEC to retain normal milk distribution in Britain.

Mr. Alex Pritchard, of the Association of University Teachers, said that Britain was in the Cinderella category in civil research, when compared to European competitors. In 1975 the UK spent 21 Eurodollars per person on civil research and development. West Germany spent three times that amount, and France, Holland, Belgium and Denmark doubled it.

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OTHER LABOUR NEWS

Education policy reply

By Michael Dixon, Education Correspondent
EMPLOYERS SHOULD be compelled to release workers to attend higher educational courses, the National Union of Teachers said today.

Other measures to increase the number of older students should include substantial grants and paid educational leave. The NUT was replying to the Government's discussion document on higher educational policy over the next 15 years.

While broadly backing the scheme for a further £250m a year expansion of universities and polytechnics, the union says the Government should stop concentrating on catering for the needs of 18-year-old students, whose numbers will fall after the mid 1980s.

The emphasis should be on catering for a "new kind of clientele" involving many more mature students.

The Prime Minister was yesterday urged by the second biggest teachers' union to recognise a special case "exception to the Government's 5 per cent pay guideline."

The National Association of Schoolmasters' and Union of Women Teachers sent a telegram to Mr. Callaghan asking him for an assurance that teachers would be granted an extra pay rise as a first instalment to restore their relative salary position.

Weighting pay survey

EXTRA pay to compensate for the high cost of working in London has risen 160 per cent in the last four years, a private survey of "London Weightings" reported yesterday.

But it says that the staff of private firms in the centre of the capital are still, on average, £200 short of the Government's Pay Board recommendations.

The report, by Regional Surveys Ltd., is based on information provided by 64 companies.

It says that a typical firm is paying allowances of about £480 to management staff based within three miles of Charles Cross and around £250 to clerks in outer areas.

Season ticket loans and lunch vouchers are the most common additional forms of assistance.

Outside London, the average allowance for large towns is £153, paid mainly by insurance companies.

Strike may hit chemical supplies

SUPPLIES of some chemical products could be hit if the strike at BP Chemicals' Baylham complex goes on for another week or more. The strike entered its second week yesterday.

Production has been halted and the 1,250 workforce laid off.

Negotiations are still taking place between management and the main union involved, the Transport and General Workers.

But there are no signs of a settlement.

The unions have agreed to provide safety cover and keep the plant warm to allow a quick resumption of production.

The plant was closed on a pay offer of about 18.5 per cent to blue-collar workers at the plant, subject to a tightening up in work procedures. This deal was accepted by the Electricals' trade union but not by the Amalgamated Engineering Workers and the Transport and General.

Fineston evidence

The white collar section of the Electrical and Plumbing Trades Union has based the bulk of its evidence to the Fineston inquiry into the engineering profession on the need for statutory registration of professional engineers.

It would be necessary, says the Electrical and Engineering Staff Association, to set up a central registration council with representatives of Government, the GBE, TUC and prescribing institutions.

The number of those institutions should be reduced.

The staff association also recommends that incorporated technicians engineers are in the fullest sense "professional engineers" and also that membership of an appropriate union will assist the individual engineer to ensure proper standards for his service.

The association also believes that a form of licensing will follow on from statutory registration and recommends a full investigation into this before it is introduced.

Caterpillar violence

THE Caterpillar Tractor Company's Scottish bulldozer plant was under police guard last night after violent picketing yesterday by some of its 1,700 manual work force, which is on strike.

Most of the strikers, who walked out on Tuesday after the breakdown of annual pay talks, are expected to picket the plant this morning.

Yesterday, only a handful of senior management executives managed, with police aid, to get through a line of about 200 men. Some 800 other staff and supervisors were turned back despite the police presence and had to return home.

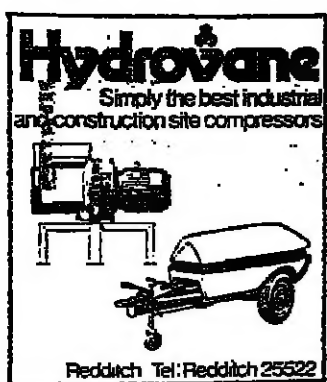
The dispute is over the men's claim for a 10 per cent rise and a productivity deal. After four months' negotiations, the company's final offer comprised a 91 per cent rise together with an attendance bonus scheme. This was rejected and the shop stewards recommended an indefinite stoppage.

The plant produces heavy tracked earth loaders and movers, and diesel engines.

Bedford ambulances were being operated throughout most

APPOINTMENTS ADVERTISING
APPEARS TODAY ON
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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHUETTERS

PROCESSES

Powder coats economically

PATENTS HAVE been obtained on an automatic electrostatic powder coating system which can provide efficiencies as high as 98 per cent, which, according to Volstatic, compares with typical run-of-the-mill efficiencies around 30 per cent.

Thought to be the first such process to reach these levels of materials economy, it offers the further benefit that productivity is improved through a considerable speed-up in the conveyor unit carrying the workpieces. At the same time, the laborious task of cleaning out the coating booth for a change of colour is made much easier, while powder recycling is virtually eliminated.

Supercoster is the name which has been chosen for the equipment, which is relatively simple to tailor to user requirements.

Basic equipment is the booth, fitted on both sides with high voltage booster electrodes mounted alongside the conventional reciprocating powder guns.

These electrodes recharge all the powder particles that have lost their initial charge from the gun and thus have failed to reach the workpieces travelling through the enclosure. In this way, any overspray powder is

continually recharged till it is actually captured by a work-piece.

Experimental work has also led to modifications to the air flow arrangements and is in the

opposite direction to the movement of the work, giving more uniform powder distribution and better coverage.

An aerofall and air curtain are used to levitate and recharge the undersprayed powder lying on the base of the booth—in this instance a continuous plastics belt moving in the same direction as the conveyor, away from the air extraction port.

Sides and top of the booth are made of a plastic material which assumes a charge of the same polarity as the resin particles and repels them back into the stream and towards the components being treated, again contributing to efficiency and helping where colour changes are frequent.

Steady air transfer back through the booth is maintained by a cyclone powder reclamation unit to which after-filters can be attached, if desired, and fitted with shakers to give close on 100 per cent powder utilisation.

Volstatic points out that this underlines one advantage of powder spraying over conventional wet paint spray systems in that oversprayed paint—an expensive commodity—cannot be reclaimed.

Supercosters have very little overspray powder to recirculate and it is sometimes possible to dispense with the reclamation system altogether, providing a considerable saving on space and in capital outlay. Otherwise, it is possible to downsize the reclamation system.

When there is no reclamation unit, colour changes are very quick to achieve, taking about seven minutes under typical production conditions. All that is needed is to clean out the booth, recharge the powder supply container and purge the guns.

Developers point out that a single installation could be used to replace a series of mobile booths, each devoted to one colour, with considerable advantages to the user.

They claim a noteworthy increase in consistency of finish, particularly important where textures or hammer-type surfaces are desired.

Volstatic Coatings is at 57 Stirling Road, Acton, London, W3. 01-892 6931.

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When there is no reclamation unit, colour changes are very quick to achieve, taking about seven minutes under typical production conditions. All that is needed is to clean out the booth, recharge the powder supply container and purge the guns.

Developers point out that a single installation could be used to replace a series of mobile booths, each devoted to one colour, with considerable advantages to the user.

They claim a noteworthy increase in consistency of finish, particularly important where textures or hammer-type surfaces are desired.

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INSTRUMENTS

Heat gauged by a touch

TIP TOUCH digital surface thermometers by SKF, available from the Engineering Products Division of SKF Steel, Newport Pagnell, are suitable for all engineering and scientific applications where a component surface temperature reading needs to be taken.

It was originally designed with a probe for the purpose of measuring bearing temperatures, and the new instrument is ideal for testing components difficult of access.

Five exchangeable sensors are available for surface and liquid temperature measurements. They include spring-tipped, right-angled, flexible and submersible sensors.

Engineering Products Division, SKF Steel, North Crawley Road, Newport Pagnell, Bucks MK18 9HB, Newport Pagnell (0908) 610083.

COMMUNICATIONS

Getting the message quickly

DESPITE THE vast array of electronic equipment pouring into Europe from manufacturing plants all over the U.S., Pan American Airlines has gone to a UK group, Automation and Technical Services, for a series of telegraph-compatible visual display units made in Britain, to be used on Pan-Am's international message switching network.

The display is ATS's Vitel send/receive and edit unit and it will progressively replace conventional electromechanical tape machines. This will provide the airline's telegraph operators with a considerably faster and completely silent method for the preparation and transmission of their messages.

The initial order is worth about £50,000 and is for over 10 displays.

Under Phase One of the replacement programme, Vitel units at the divisional headquarters are handling some 3,000 messages a day covering administration, tickets and hotel reservations.

Several systems have also been set up at the Pan-Am communications centre where the airline's STC... ADX message switching computer is situated.

Under Phase Two, over the next several months, more ATS

displays will be set up in the other European and Middle Eastern communications centres operated by Pan-Am. Initially they will be in Tehran, Paris, Rome and Delhi, all interlinked via Heathrow to any destination within the Atlantic region, or worldwide via New York or Hong Kong—the two other message switching centres.

Beyond the Atlantic region, which will itself require about 250 Vitel units to finish off the upgrade, there are the North

American and Pacific regions which may be standardised on the first and require a further 500 displays.

If ATS secures the lot, the contract could be worth over £2m. And as the unit chosen by Pan-Am was in the words of its own director of communications cheaper and more versatile than an American runner-up, it seems that chances are good.

ATS is at 30 Bridge Road, Haywards Heath, Sussex RH16 1TY. 0444 532377.

Goonhilly hand-over

MARCONI yesterday formally handed over the new Goonhilly 4 earth terminal to the Post Office.

Designed as the first of its kind for use with the next generation of communications satellites operating in the 11/14GHz frequency bands, the new terminal was built as a joint venture project with the Department of Industry, the Post Office and Marconi Communication Systems and cost around £34m.

Virtually all of the equipment is of Marconi design and manufacture. This includes a 19-metre diameter antenna with a four-reflector beam feed for frequency re-use, 2kW power amplifiers, up and down

converters and high speed (120Mbit/s) digital modems.

Goonhilly 4 will be initially used with Europe's Orbital Test Satellite, OTS2 (forerunner to the European Communications Satellite, ECS), which was launched on May 11 to prove the technology for digital satellite communications in the 11/14GHz frequency bands. The results of the OTS test programme will be particularly relevant to the 1980s when 11/14GHz operation will be used for the European and other regional satellite communication systems and for international services via Intelsat V.

Further details from Marconi on 0345 53221.

SERVICES

Boeing in new drive

SIX MONTHS after the launch of its major financial planning service, EIS, Boeing Computer Centres has opened two new regional offices in Birmingham and Manchester.

Boeing, as well as being a manufacturer of aircraft and other high technology products, is one of the largest computer service companies in the world, employing over 4,000 professional personnel. Mainstream division of the UK company specialises in providing financial planning systems and APL programming language capabilities through its timesharing service linked to its IBM 3033 central processor in Virginia.

Demand from UK companies for more sophisticated planning techniques in general, and particularly for EIS, has been keen. Managers with big financial planning problems are seeking ways to solve them.

Boeing has accelerated plans to increase local access to timesharing systems as well as to increase sales and technical support teams in regional locations.

Boeing on Watford (92) 38321.

MATERIALS

Insulation withstands the flames

FIBREGLASS has developed a flexible duct insulation product combining a vapour barrier and Class 0 fire rating.

The 1978 Building Regulations emphasised the need to prevent the spread of fire in building services. Parts E4 and E5 of the regulations encourage the use of surfaces rated at Class 0, in conjunction with a general requirement for subdivision of cavities by cavity barriers.

Flexible duct insulation from Fibreglass conforms to the Class 0 requirement of the regulations and, when used to insulate ducts in voids, cavities and shafts, it allows the spacing of cavity barriers to be increased from 8 metres (if the insulation does not conform to Class 0) to the maximum of 20 metres, with a consequent reduction in cost.

The product consists of a woven glass fibre mat faced with strong, white lacquered, glass reinforced aluminium foil/kraft laminate on one side. Flexible duct insulation is suitable for the thermal insulation of warm air heating ducts, air conditioning ducts and equipment in the temperature range -20°C to 120°C. It is available in a range of thicknesses from 5 mm to 75 mm.

Fibreglass (Pilkington Group), 11 Helens, Merseyside WA10 1TR. 0744 240022.

HANDLING

An economic strapper

THE MAIN advantages promised by its latest automatic strapping machine are low cost and continuous output of lightweight packages, says P. P. Payne, Taydon Road, Nottingham (0602) 07221.

The heat seal machine is called the Cinex and applies up to 0.55mm wide straps a minute to pack sizes, from 110 mm wide to 50 mm high to 600 mm by 90mm.

The machine is said to be robust enough to cope with the most rigorous packaging conditions, its other advantages being with mobility to any part of the packing area and the use of large rolls of strapping (4,500 metres).

ENERGY

Charcoal fuel from waste

UNDER-DEVELOPED countries are always concerned about future supplies of coal and oil fuels and their effect on the countries' balance of payments. Now, it appears, they are showing particular interest in the use of waste materials as a source of fuel.

A range of plant available for conversion of agricultural and forest waste into carbon fuel has been introduced by Alfred Process Plant, Oakwood Chemical Works, Sandy Lane, Worksop, Notts S80 3EY (0909 68611).

Charcoal, says the company, ranks as one of the most ancient products made by man, yet today many people are totally unaware of the wide variety of its uses or its great economic potential.

Many manufacturing processes rely on this material in its various forms and new methods

of use constantly appear. The material has an important economic position in certain parts of the world because it may now be made from certain items which hitherto were dismissed as waste.

High quality charcoal can be made without the need for high level technology—to provide an ideal fuel for domestic and industrial purposes from such substances like groundnut husks, sawdust and shavings, forestry and sawmill wastes, coconut husks, etc.

Of three different types of charcoal manufacturing plants now available, the first in the range is a portable batch kiln, intended for use in the forest environment or on a village industry basis.

The second is the vertical continuous kiln designed for

continuous production on a 24-hour basis. This consumes sawmill offcuts, forest thinnings, waste woods and similar materials. The pyrolysis gases are controlled and used to provide heat to maintain kiln temperatures whilst controlling pollution.

The third unit is the horizontal continuous kiln developed recently to use a wide range of agricultural and sawmill wastes. Nut shells, rice husk, sawdust, shavings, coffee husk, sunflower seed husk may also be converted by this moving bed unit. This horizontal unit, claims the company, represents a great step forward in the use of alternative materials in energy production.

Apart from its use for domestic and industrial purposes, the utilisation of charcoal is growing in the metal industries, in copper, iron and steel, in ceramic production, steam raising and producer gas, and said to be particularly important where special atmospheres are needed.

In time and cement manufacture, charcoal is used as an internal fuel being ground with the limestone and fired to obtain quicklime.

As a pulverised fuel, charcoal powder may be used instead of coal in pulverised fuel firing for steam raising and power generation. It is easily ground to a fine powder and able to be used with standard pulverised fuel firing equipment.

DEBORAH PICKERING

METALWORKING

Expansion by Charmilles

FIRST TWO models in a new series of generators for spark erosion machines has been announced by Charmilles (UK). These generators have been developed at the company's Gloucester factory and 50 and 100-amp versions are now in production and will be widely available early next year. They are designed to complement the Charmilles Electrode range of spark erosion machines.

About 25 per cent of the total development cost has been provided by a grant from the Department of Industry. Total outlay has been in the region of £200,000.

The company has also announced plans to double the output of its Gloucester factory where it manufactures spark erosion machines for home and overseas markets.

Its British factory, which has been in existence for five years, is the only major manufacturing centre for the Swiss based group outside Geneva.

Future proposals include the introduction of a more advanced computer control system to streamline work progress, stock control and delivery scheduling.

The Gloucester factory is now also assuming responsibility within the Charmilles Group for all special machine developments. This includes modifications and adaptations to equipment for special requirements.

Considerable potential for production work using spark erosion, both die sinking and wire machining, is seen by the company for the future.

Another recent move has been the purchase of a controlling stake in the Andrew Engineering Company of Minneapolis, Minnesota by the Charmilles Group. This acquisition will broaden the range of spark erosion machines marketed.

The latest type of machines from the Andrew range will be added to the products marketed by Charmilles (UK) and it is expected that these will become available next year.

DESIGNED AS a low profile workholding tool and, at the same time allowing irregular shaped objects to be held safely, is an extendable machine vice marketed by Carver and Co. (Engineers), Coppice Side, Brownhills, Walsall WS8 7ES (Brownhills 45211).

The vice is capable of producing 10,000 lb horizontal pressure and 4,000 lb vertical pull-down in a dual action aimed at ensuring maximum job stability.

It is said to be ideal for low headroom applications such as milling, planing, grinding, boring, shaping, and general surface cutting, and is supplied in two halves consisting of a fixed and moving subunit weighing 28 lb and 22 lb respectively.

Im an ad and im going abroad...

Media plan? Totally devised in London via JDM—the largest independent overseas media brokers in the UK.

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The colour campaign that hits home 365 days a year

Incredible as it may sound, a relatively small-space campaign in the columns of Yellow Pages offers advertisers a weekly audience of 11 million* very serious, very willing consumers.

This is because the people who turn to Yellow Pages have already made up their minds to buy.

And they refer to their local Yellow Pages directory simply to determine the availability of the product or service they happen to be interested in, its exact locality and the purchasing facilities offered.

So, as you can see, there's much to be gained from making your own company's or client's presence felt in Yellow Pages as part of your media mix.

Furthermore, a campaign in Yellow Pages, doesn't just last for the duration of your mainstream campaign.

Your name is there, right where and when the consumer needs it, in the home, 365 days a year.

And with no fewer than 64 Yellow Pages directories covering the country, there's no question of it not being cost-efficient.

To find out more about Yellow Pages ring Val Addiscott on 01-567 7610 or look us up in your own Yellow Pages directory under Advertisement Contractors.

After all can you really afford not to have your own colour campaign hitting home 365 days a year?



The Vital Link



WE'D LIKE TO HELP YOU TAKE OFF

You sell fashion. We sell fashion. Better than most because The Sunday Times gives you an advertising environment that reflects the style and quality of your products. We appeal to a particular kind of reader, you appeal to a particular kind of buyer.

They're one and the same in The Sunday Times, so your advertising really takes off. Perhaps that's why 55% of all wearing apparel advertised in the quality press is in The Sunday Times and The Sunday Times Magazine. One word of warning: it isn't always easy to get in. But can a product like yours afford to be anywhere else?

Talk to Nicholas Hill and his sales team on 01-837 1934, or drop him a line at The Sunday Times, PO Box 7, 200, Gray's Inn Road, London WC1X 8EZ.

THE SUNDAY TIMES
THE SUNDAY TIMES magazine

The Marketing Scene

EDITED BY MICHAEL THOMPSON-NOEL

Top 20 agencies take £60m-plus

NEWS THAT Johnson's Wax has huffed approximately £600,000 worth of billings out of McCann Erickson marks virtually the first pause in McCann's record of the past 12 months. At the same time, the shuffle confirms a pattern which has been increasingly apparent: the agencies at the top of the list are those which are best prepared to switch accounts around amongst the biggest agencies at the expense of those outside the Top 20, writes Michael Thompson-Noel.

Johnson's has moved its Pledge brand, worth an estimated £400,000, from McCann's to London and Bowles which in turn has moved its Final Touch brand to Johnson's. The agency has also moved its Pledge brand, worth an estimated £400,000, from McCann's to London and Bowles which in turn has moved its Final Touch brand to Johnson's.

This amiable merry-go-round—McCann's has in any case won more than £20m worth of new business in the past year, not least all Roda's £3m—seems to confirm an apparent trend towards the biggest agencies identified this week by the chairman of one of London's most receptive smaller shops.

According to him, between January 1 and August 14 this year the trade press observed the movement of 108 advertising accounts worth £200,000 or more. Fifty were gained by the Top 20 agencies or their subsidiaries. Considering the relatively modest size of £200,000, already inflated by local factors, seems a surprisingly poor showing by the rest, which include some quite powerful contenders. At present, it seems that early half of all significant transfers are likely to choose a

Has advertising lost its way?

BY MICHAEL THOMPSON-NOEL



'There is a very real risk that advertising is going to be seen as a cosmetic, a piece of jewellery ...'

—Jeremy Bullmore, JWT

IT IS A SOBERING thought that that intoxicating round of prize parties and ceremonials, backslapping and puff dinners known collectively as the advertising awards season has almost wheeled round again, as predictable and calming as a cold glass of Guinness. Only a few of these ceremonials are fun, partly because with a great deal of noise and at remarkable expense they serve to camouflage any real discussion of what advertising is about.

According to Jeremy Bullmore, chairman of the J. Walter Thompson agency, the lust for awards within the advertising business has grown so great that it is potentially in danger of smothering any real understanding of the commercial aims and impact of the advertising business.

The JWT chairman occupies a position of considerable influence and affection within the advertising world. More than any other practitioner of his competitive profession he displays an ability to wield the scalpel, to cut through the tinsel and imagery with which it decks itself and go straight for the heart. He has more than 20 years' experience. For 12 years he was JWT's creative director. In his new role, there is a very real risk that advertising is going to be seen as a cosmetic, as a piece of jewellery that you have because you have it, and that the real business of selling will come to be seen as what I call thrust marketing: getting stuff into the trade. Increasingly it has seemed to me that advertising is being evaluated now on a non-functional basis. ... There is a danger that people writing advertisements will consciously or unconsciously set the winning of an award as their aim when they set out to write an ad. I am not saying that the best creative agencies have forgotten what they are in business for, but that it looks as though some people who are spending the money have forgotten what they are spending it for.

What particularly irked the JWT chairman was some research by Wood, Brigdale and Co. earlier this summer which

for is 'memorable' advertising, or volume sales, not profits, and Forty-two per cent of Wood, Brigdale respondents said creativity view of life and your objectives mean the ability to produce a memorable advertisement. As I share, there is no question that understanding it, they were given the opportunity to follow that up by saying that by memorable advertising they mean advertising that would sooner or later have some effect on their companies sales and profits. But they didn't. They stopped dead.

But why should advertising's role still not be understood? Why, in some quarters, should it apparently sustain a reputation as a frivolous adjunct of the business process?

"I believe the main reason is that a lot of the valuable effect of advertising is, in the short term, not measurable, whereas cutting prices to the trade or getting 5p coupons around can be measured very quickly. It has always been extraordinarily difficult, and will continue to be very difficult, to quantify the effect of long-term advertising, particularly on repeat purchase goods with high distribution and reasonably high market share.

"Another reason comes back to the definition of sales. Advertising and brand managers have for a very long time been set in terms of brand share

advertising make it quite clear that the manufacturer is prepared to be accountable. I think we have forgotten about that, but it because it has been taken so much for granted.

"Forget about content for the moment: creativity on the whole is about content. It is difficult to put numbers to it, but it does seem to me that you could argue that 75 per cent of the value of advertising is to advertise at all, irrespective of content, whereas over the last 20 years all the argument, all the discussion about advertising between you and agencies and sophisticated marketing companies has been about the 25 per cent of content. This may be one of the many reasons why advertising expenditure in real terms has declined, because nobody has dared to stand up and tell advertisers that they aren't spending enough.

"If you go back to the beginnings of advertising, the manufacturer or the retailer simply put up a sign with his name on it. Nobody got in a twitch whether it was creative or not. You were making a public statement and commitment. I don't think that element of advertising has been stressed by anybody for years.

"One has heard many times that advertising has got to work harder this year. I have never been told that advertising has to work less hard this year than it did before. It's a ludicrous statement, and all the emphasis is going on content rather than on advertising weight because it is on content that agencies compete.

"One comes back to the effect of the emergence of this word of creativity and the almost total inability of anybody to define what they mean by it other than to judge advertisements as if they were ends in themselves rather than a means to an end. I define creativity in this context as an ability to understand the communications process that you are wishing to communicate to the people most likely to be interested in your brand or your service or your machine (and is most quickly and persuasively, most accurately and economically, understood. Advertising must work. It is not an end in itself.

"That is why I am appalled that the ability to produce 'measurable' advertising should be seen by 42 per cent of respondents in this research as advertising's most important function. Nobody in the world has ever demonstrated a relationship between memorability and effectiveness, though there may well be a relationship between effectiveness and memorability. Should be the only criterion against which advertising is judged.

"This is not an anti-creativity for them if they buy or stay with or contemplate doing what we do. The advertiser wants them in. As with any piece of research, one has to read this report at two levels. It is possible that there is in some of these re-

Tackling the American market? Then you should advertise in The Wall Street Journal. One of Europe's leading aircraft manufacturers tells why.

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"Since Airbus Industrie launched its marketing effort in the United States four years ago, The Wall Street Journal has been a key ingredient in our advertising programme, since it is as important to tell those who are influential in the financing of an aircraft purchase as it is to influence those in airline management. Fortunately we cover every key person both in the financial community and the air transport industry with the same advertisements in The Wall Street Journal.

We consider The Wall Street Journal has been a significant factor in Airbus' penetration of the U.S. market. It has helped position the A300 as a significantly advanced aircraft with superior fuel economy, improved passenger comfort and quiet operation to meet present and future environmental standards."

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for

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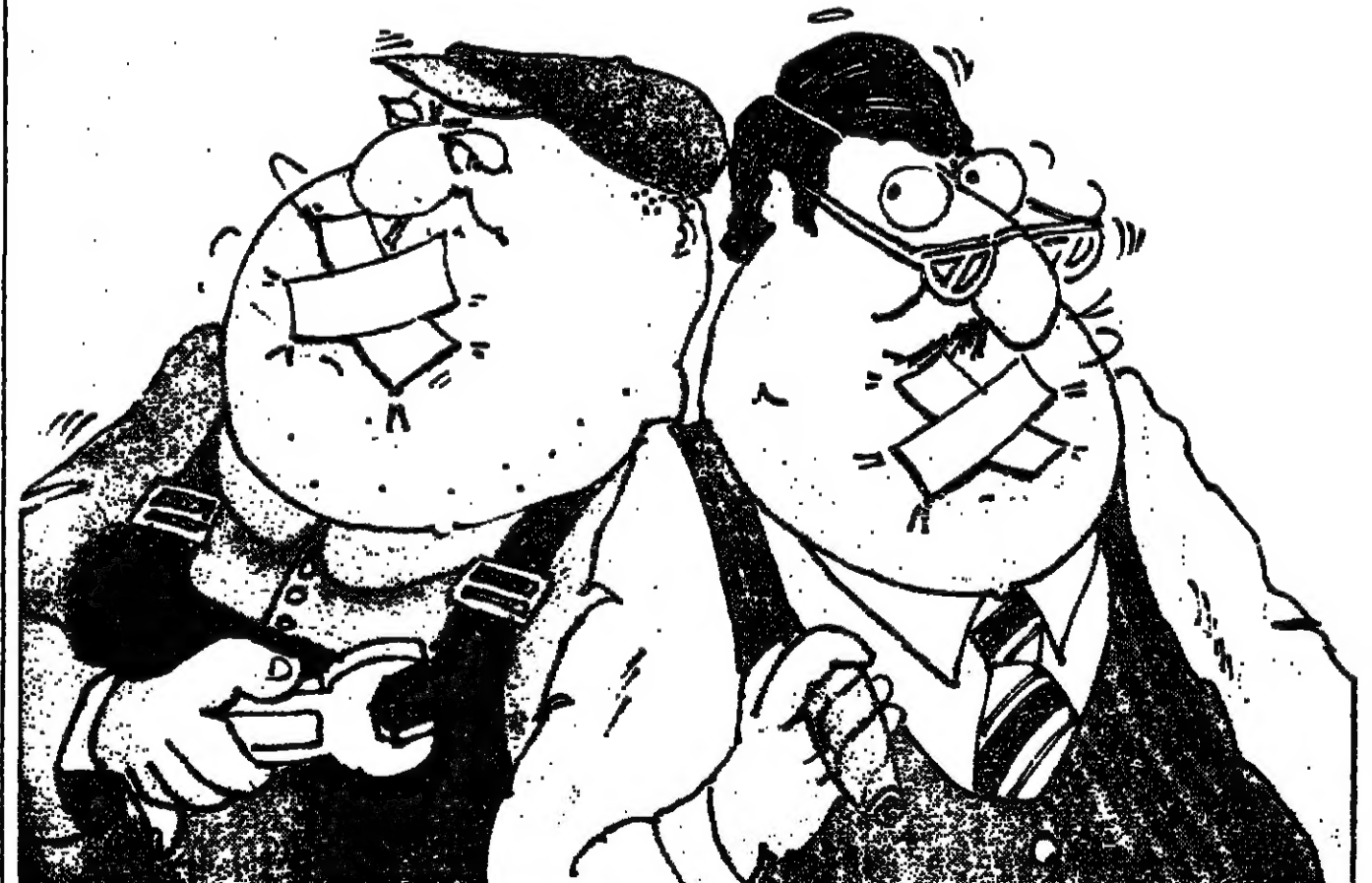
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The most important aspect of a company is usually the most neglected.

And that is internal communications. Whether it's a new development in company strategy, the launch of a new product or the opening of a canteen, the employees are, inevitably, the last to find out. Then you get misunderstanding, sometimes resentment, which reflects itself in their work. And in your balance sheet.

How much does it cost to give employees an interest in their company? Initially, just a phone call. To Air-time Productions. We'll tell you about how we televise meetings and produce video tape programmes, from your script or ours, for televising on closed circuit systems. About how we even assist in the hire of video equipment if you don't have your own.

We will also tell you about the multi-national companies. Air-time Productions have already worked for. Which will tell you that a well informed company is definitely a profitable company.

AIR-TIME PRODUCTIONS

Contact: Johnny Fielder, Managing Director, Air-time Productions, 50 Fifth Street, London W1V 6PJ. Telephone: 01-754 9304.

Southern Television can give you a facelift.

The face which your company presents to the world may not be quite as handsome as the one you see in the board room. And it makes corporate advertising, communicating your attitudes and policies as important as selling your products. Answers to consumer, environmental and ecological questions need to be provided on all levels within the community. Southern, with its high cost of opinion forming ABCs, is the ideal area in which to lay the foundations of a favourable corporate identity. Research indicates that Companies who run corporate campaigns on Southern benefit in guarantees and positive attitudes.

There is a fact, if you're interested in a corporate facelift, call the number below. We'll be happy to show you our Corporate Identity presentation.

SOUTHERN TELEVISION

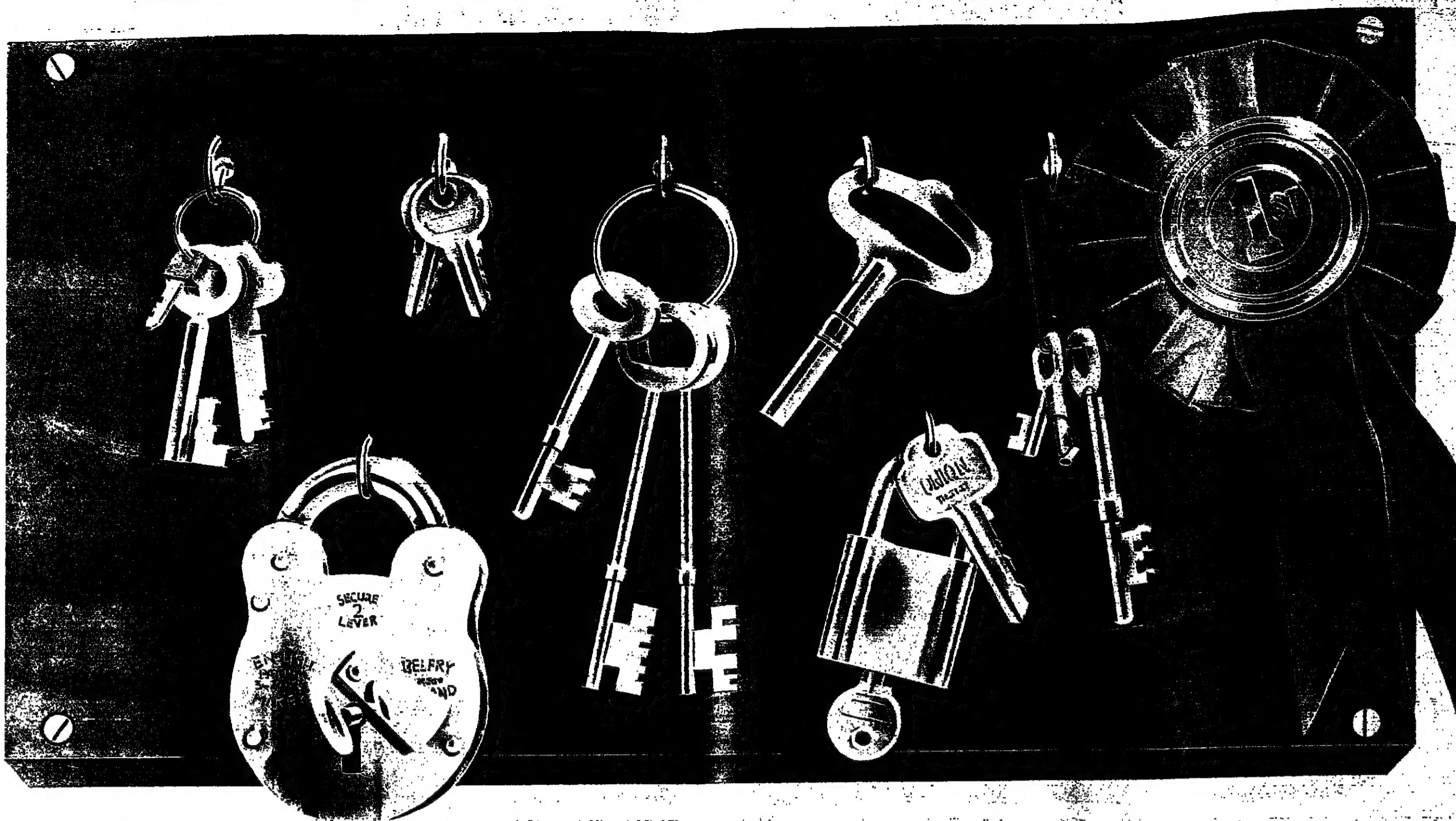
For further information contact Ray Sharp, Marketing & Sales Director, Southern Television Limited, Glen House, 55a, Regent Street, London W1B 5AX. Telephone: 01-634 4024.

The Rotisserie Normande offers you that extra personal touch. Just phone Joseph Larner, our restaurant manager, and ask him to send a copy of his menu to your home or office. This way you'll be familiar with our dishes when you arrive for dinner. The Rotisserie Normande specialises in La Nouvelle Cuisine, the totally natural style of cooking that is sweeping France. Whilst the dishes are new and exciting, the atmosphere is good old-fashioned candlelight. Have an evening to remember at London's most exciting restaurant. Also open Sundays!

ROTISSERIE NORMANDE

The Rotisserie Normande is in Portman Square, London, W1M 9PL. Tel: 01-486 5844

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For most men of substance, the thought of owning a farm or country estate is an attractive proposition.

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Savills have an excellent track record in finding farms for private buyers, and in providing a full management service.

People are sometimes put off by the thought that they know nothing of farming, forestry or agricultural finance.

Never mind. Savills can take care of it all for you, while you drive up to town for your

own kind of working day. We prepare farm budgets, employ and supervise staff and provide a full farm accounts service from our local office.

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Not at all. Fine farms within easy commuting distance of London regularly change hands. And if you're careful to pick the right one, you can successfully enjoy the best of both town and country worlds.

As well as doing your financial best for your family and yourself.

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In our London office we have qualified agricultural surveyors, who know a great deal about land and about the many farms within daily travelling distance of London - and further afield as well.

You'll find sound advice on every aspect of farm purchase, finance and management.

The Partners responsible are George Inge and Guy Galbraith.

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The complete property service.

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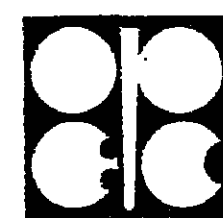
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DIRECTOR OF DIVISION OF RESEARCH

Education: University Degree in Economics, Engineering or any other science directly related to the oil industry.

Age: 35-50.

Basic monthly starting salary: Austrian Schillings 87,000.—

Experience: A minimum of ten years varied professional experience in the oil industry, of which at least five years should have been spent in a position directly involved in research or supervising research work.

HEAD OF INFORMATION SERVICES DEPARTMENT

Education: University Degree in Science or Engineering, relevant to computer applications, or statistics.

Age: 35-50.

Basic monthly starting salary: Austrian Schillings 54,000.—

Experience: A minimum of eight years professional experience in either the application of higher mathematics, operations research, statistical analysis or numerical analysis techniques to solve business and technical problems.

HEAD OF COMPUTER SECTION

Education: University Degree in Science or Engineering relevant to computer applications such as Computer Science, Operations Research, etc.

Age: 32-45.

Basic monthly starting salary: Austrian Schillings 46,000.—

Experience: A minimum of seven years professional experience in the field of data processing and computer applications including first hand experience in the management of large technical computer installations. Detailed knowledge of various internationally well-known hardware and software is essential.

HEAD OF ENERGY FORECASTING SECTION

Education: University Degree in Economics with Mathematics or Statistics.

Age: 32-45.

Basic monthly starting salary: Austrian Schillings 46,000.—

Experience: A minimum of seven years professional experience in the field of petroleum economics. Good knowledge of quantitative techniques and forecasting methods is essential. Experience in the application of computers to problems in economics or operational research is preferred.

HEAD OF CRUDE & PRODUCT EVALUATION SECTION

Education: University Degree in Chemical Engineering or Chemistry.

Age: 32-45.

Basic monthly starting salary: Austrian Schillings 46,000.—

Experience: A minimum of seven years professional experience in refining operations including cost evaluation in crude processing in the various refining modes. Management of a refinery operation as well as the use of computers for technical work is preferred.

HEAD OF PERSONNEL UNIT

Education: University Degree in Business or Public Administration.

Age: 32-45.

Basic monthly starting salary: Austrian Schillings 43,000.—

Experience: A minimum of seven years experience in Personnel, Planning, Development, Administration and Training.

HEAD OF LEGAL AFFAIRS UNIT

Education: University Degree in Law from an internationally recognised school of Law.

Age: 32-45.

Basic monthly starting salary: Austrian Schillings 43,000.—

Experience: A minimum of eight years general legal experience, of which at least five years should have been spent in positions directly related to the oil industry and three years in high level administrative positions. Experience must include progressive increase in responsibility to senior staff or middle line management level, and should embrace several aspects of the legal field.

HEAD OF PUBLIC RELATIONS PLANNING UNIT

Education: University Degree in Public Relations, Media Studies, Information Science or other relevant fields.

Age: 32-45.

Basic monthly starting salary: Austrian Schillings 43,000.—

Experience: A minimum of seven years in Public Relations or other related fields, e.g. publicity, information, commercial journalism, etc. Proven creative flair and a capacity quickly to recognise and utilise opportunities for PR activity necessary. Ability to lead and motivate others essential.

HEAD OF INTERNATIONAL MONEY & FINANCE UNIT

Education: University Degree in Economics with some academic background in money and finance.

Age: 32-45.

Basic monthly starting salary: Austrian Schillings 43,000.—

Experience: A minimum of seven years experience, a proportion of which should be experience with central banks, investment houses or research institutions. Experience should involve research related to international monetary and financial problems.

ECONOMETRICIAN

(Crude & Product Evaluation Section)

Education: University Degree in Econometrics or Economics with Mathematical background, preferably with a diploma in Computer Science.

Age: 30-45.

Basic monthly starting salary: Austrian Schillings 38,000.—

Experience: A minimum of six years professional experience in the field of econometrics or mathematical programming, which should include experience in the application of computers to problems in economics or operational research.

QUANTITATIVE ECONOMIST

(Energy Forecasting Section)

Education: University Degree in Econometrics or Economics with Mathematics or Statistics or Operational Research.

Age: 30-45.

Basic monthly starting salary: Austrian Schillings 38,000.—

Experience: A minimum of six years varied experience in the field of econometric model building or the application of mathematical programming economics.

ECONOMETRICIAN

(Energy Forecasting Section)

Education: University Degree in Econometrics or Operational Research.

Age: 30-45.

Basic monthly starting salary: Austrian Schillings 38,000.—

Experience: A minimum of six years varied professional experience in the field of econometric model building or the application of mathematical programming economics.

ECONOMIST

(Downstream Operations Unit)

Education: University Degree in Economics.

Age: 30-45.

Basic monthly starting salary: Austrian Schillings 38,000.—

Experience: A minimum of six years professional experience in the field of petrochemical economics or economic research, including work on cost analysis and feasibility studies for projects is required.

ECONOMIC ANALYSTS

(International Economics Unit)

Education: University Degree in Economics with special emphasis on one of the following: Econometrics, Quantitative Methods, International Trade and Development.

Age: 30-45.

Basic monthly starting salary: Austrian Schillings 38,000.—

Experience: A minimum of six years experience, of which three years should have been spent in economic development planning, economic forecasting or economic policy analysis.

SYSTEMS ANALYST/PROGRAMMER

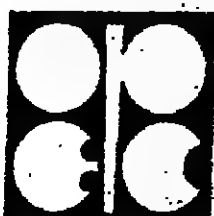
(Computer Section)

Education: University Degree in Computer Science, Operations Research or any other science or engineering directly related to computer applications.

Age: 30-40.

Basic monthly starting salary: Austrian Schillings 38,000.—

Experience: A minimum of six years professional experience in systems analysis and computer application, preferably in a large scale planning application. A thorough knowledge of modern high level programming languages and experience in a variety of software packages essential.



Fluent command of written and spoken English is required of all applicants. The salaries are tax-free; we also provide free medical insurance, as well as family allowance, education grant, Provident Fund and 6 weeks of annual leave; paid home leave every two years and removal expenses. The selected

persons will also enjoy diplomatic status for the duration of their employment.

Applicants are requested to send their detailed curriculum vitae including job history and salary progression as well as a recent photograph to:



OPEC Personnel & Administrative Department, Obere Donaustrasse 93, 1020 Vienna, Austria

ipc magazines

Chief Accountant

IPC Magazines Ltd., with a turnover of over £100 million, is one of the two major magazine publishing subsidiaries of the International Publishing Corporation. The Division publishes over 70 weekly and monthly titles ranging from mass circulation women's magazines to juvenile publications.

Following the promotion of the existing job-holder, applications are invited for the post of Chief Accountant who reports to the Financial Director. The Chief Accountant is required to manage the 200 staff of the accounts department in addition to ensuring the production of complex management and financial accounts.

The person appointed is likely to be an ambitious qualified accountant, aged over 30, who has a proven record of success both as an accountant and a manager and who is looking for a career which offers substantial prospects both within IPC and Reed International, of which it is part.

The successful candidate is unlikely to be earning less than £9,000 p.a. The rewards include company car, five weeks holiday and other benefits typically associated with a senior appointment.

Please write, stating your qualifications and how your experience would enable you to fill this position, to:

D. M. Beattie, Financial Director, IPC Magazines Ltd.,
King's Reach Tower, Stamford Street, London SE1 9LS.

Pension Fund Controller

c. £11,500 + car and attractive benefits

A major Bank within the UK wishes to appoint a highly capable executive to ensure the efficient operation and effective co-ordination of all aspects of its Pension Scheme. Specifically the person appointed will be responsible for:

- advising the General Manager (Personnel) on future pensions strategy;
- monitoring the Investment Department of the Fund and reporting on investment performance to the Board of the Pension Scheme;
- controlling the Pension Fund Office and ensuring that an excellent service is supplied to members;
- co-ordinating the financial control of all aspects of the Scheme.

The ideal candidate profile indicates a man or woman in the age range 35-45, with a formal financial qualification and sound previous experience in forward

planning and control, including investment of a sizeable pension fund. The ability to demonstrate achievement in a sophisticated systems environment will be expected. A company car will be provided and other attractive benefits include London Allowance, subsidised mortgage facilities and a non-contributory pension scheme. Relocation expenses will be paid where appropriate. (PA Personnel Services Ref: AA45/8545/FT)

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London, SW1X 7LE
Tel: 01-235 6060 Telex: 27874



A member of PA International

Divisional Chief Executive

Leisure & travel industry

This is a new appointment to the largest Division within a well-established British company with headquarters in Yorkshire. The Leisure Division comprises ten operating subsidiaries of varying sizes in different locations with heavy involvement in the operation of motor coaches and British and continental inclusive coach tours. Travel agencies and hotels are also included in the activities. The successful candidate will report to the Chairman, who is also the Group Managing Director, and will have complete responsibility for all aspects of the Division. The industry is growing and the Group is well placed to take advantage of new business opportunities. Imagination, creativity and sound planning are vital qualities and candidates must be able to demonstrate successful career records where these attributes are needed. They must already be holding general management posts with full

profit responsibility in companies which depend on the creation and marketing of a service and where a good staff motivation is important. A background in the client's major activities would be ideal but is not essential. The preferred age range is 35 to 45. Salary will be negotiated to attract the right person and this, together with a bonus based on results, will put total remuneration within a wide range around the £20,000 mark.

Personal Services Ref: G127/8528/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Chief Engineer

Rohm and Haas (UK) Limited has a U.K. turnover of over £50m, which relates to a wide range of intermediates and acrylic monomers. The vacancy for a Chief Engineer at the Company's Teesside Works arises out of organisational changes and is obviously a key appointment. The Teesside Petrochemical Works consists of modern continuous process plants, which operate on a 24 hours basis. The processes and their operation use up-to-date technology including sophisticated materials of construction and control equipment. The Chief Engineer's job covers wide responsibility for all engineering on the site, which includes a range of specialised equipment and metals technology as well as sophisticated control and process techniques. The effective performance of Teesside Works is crucial to the profitability of the U.K. operation.

The appointment demands a good honours degree in Mechanical Engineering, many years previous experience of continuous petrochemical process plants and some direct experience of industrial relations. The person selected will already be a trained professional. Career prospects are first class and are not necessarily contained within the engineering function.

Salary will be negotiable and a car will be provided. All major relocation costs will be paid in full. Please write to the Company Personnel Manager, Croydon.

ROHM AND HAAS (UK) LIMITED
LENNING HOUSE, 2 MASON'S AVENUE,
CROYDON, CRO 3NB, ENGLAND.
TELEPHONE 01-881 8844



INVESTMENT MANAGEMENT

Assistant to Investment Director
c. £7,000

This vacancy provides a unique opportunity for joining the management team of a Group of British Companies in the City involved in Shipping, Insurance and Investment. This is a career appointment with good prospects of achieving senior executive levels in the Group. Initially, the successful applicant will specialise in Investment Management, assisting in dealings, in-depth investment research/analysis and the monitoring of portfolio performance.

Candidates, who should be aged under 30, should possess keen analytical ability and be educated to degree level with good knowledge of Economics and Maths. Ideally, they should be at present employed in the investment field and be able to work on their own initiative. An appropriate professional qualification is desirable.

The position carries the usual fringe benefits associated with a Group of this stature. Applications with details of education and experience should be sent to:

Box FT/541, c/o Hanway House
Clark's Place, Bishopsgate, London EC2N 4BJ

Financial Director (Designate)

Kenya £10,000 p.a.

An international group of companies seeks to fill the above vacancy within its medium-sized engineering subsidiary in Nairobi.

Candidates must be qualified accountants preferably with experience in the engineering industry. It is unlikely that persons aged under 30 years would have gained sufficient financial management experience to meet the requirements of this position.

The contract is for an initial 3 year period and benefits include attractive accommodation, car and education allowances. Prospects for long-term employment within the group are excellent.

Please reply in confidence to:

Mr. G. S. Peterken,
P. H. Recruitment Ltd.,
42 Upper Berkeley Street,
London W1H 7PL.

GENERAL MANAGER FOR SAUDI INVESTMENT COMPANY

Basic compensation U.S.\$50,000 p.a.
tax-free, plus usual other benefits

Incorporated earlier this year by prominent Saudi businessmen and investors, the company seeks an experienced banker to develop its potential. The company will collaborate closely with an international bank in which it is a shareholder. The General Manager will be fully responsible for the development of all activities, including:

- financial and investment advice;
- identification and development of viable projects in the private sector;
- marketing and promotion of sound financing proposals.

The ideal candidate would be in the 30-45 age group, resourceful and marketing-oriented. In addition to a sound knowledge of banking operations, experience in international banking is essential. Previous residence in Arab countries is desirable but not essential. The candidate's interpersonal skills will be decisive.

All applications will be treated in strict confidence and should be addressed to:
Box A.6447, Financial Times, 10, Cannon Street, EC4P 4BY.

ROWE & PITMAN, HURST-BROWN

are seeking an Account Executive for their expanding International Department. Knowledge of a European language would help. The successful candidate must be prepared to travel.

Applications (which are welcomed from men and women) with full c.v. to:

P. N. Smith Esq.
Messrs. Rowe & Pitman, Hurst-Brown
1st Floor, City-Gate House
39-45 Finsbury Square
London EC2A 1JA

INTERNATIONAL BANKING

INTERNAL AUDIT to £8,000
Major U.S. bank seeks to augment its European audit team with a top-notch young banker, 25/30, who is experienced in international bank audit (for possibly clearing bank inspection) has an accounting/banking qualification and has some capability in a second European language. A 2nd opportunity also exists for a less experienced, unqualified person to join the team.

EUROBOND ADMINISTRATION to £4,500
An excellent career opportunity occurs within this very active primary and secondary market dealing bank for a young person with sound knowledge of Eurobond settlements/clearing procedures.

F.X. & STG. ACCOUNTING £3,500-£4,500
Two well established Consortium banks, each with aggressive expansion plans, require an equally ambitious young person to assist with a variety of accounting/management reporting functions.

To discuss these possibilities — or your own career objectives in more general terms — please telephone John Chiverton, A.I.B., or Trevor Williams.

JOHN CHIVERTON ASSOCIATES LTD.
31, SOL THOMPSON ROW,
LONDON, N4
01-2425841

City

FINANCIAL DIRECTOR

The Client A small, growing, well respected quoted City group with profits now in excess of £1m. and with self accounting, U.K. and overseas subsidiaries; historically in plantations and now diversifying into agricultural engineering.

The Job The person appointed will be joining the Chairman and the Executive Director as the third member of the head office team which directs the operations of the group. He or she must be flexible enough both to develop corporate policy and to get into detail in accounting and other areas when and where necessary. An important visiting subsidiary at home and overseas. An important initial task will be to improve management reporting systems throughout the group. Visits to Asia and the Far East will be involved.

The Candidate A graduate qualified accountant, preferred age 35 to 45 with post-qualification experience in commerce. Ideal candidates will have spent at least a year in a head office position in a small to medium sized group with overseas interests.

Brief but comprehensive details of career and salary to date, which will be treated in confidence, should be sent to E. J. Robins, Executive Selection Division, at the address below. Please quote reference FT/582 and include, if possible, a daytime telephone number at which you may be contacted.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

LEADING EUROPEAN BANK

To Expand our Industrial Hire-Purchase and Leasing Activities in the U.K. we require

(1) A Marketing Manager, BASED IN LONDON

TO HELP CREATE, THEN LEAD OUR MARKETING TEAM

Applicants should:

- have a successful track record with a financial institution, for instance, as regional or area manager
- have a thorough knowledge of middle British industry
- have sound financial judgment.

Knowledge of French might be an asset.

Very good salary + car.

Usual fringe benefits including subsidised mortgage and non-contributory pension scheme.

(2) Three Area Leasing Officers,

TO MARKET OUR SERVICES IN

MANCHESTER BRISTOL BIRMINGHAM

Applicants should have several years' experience in the industrial H.P. and leasing fields and have good risk assessment ability.

Earnings will be around the £9,500 mark + car.

Usual fringe benefits as above.

Applications in writing with full curriculum vitae to
Box A.6458, Financial Times, 10, Cannon Street, EC4P 4BY.

Charles Barker Confidential Reply Service

Please send full details of your company and its products to which we should add your reply. We will be pleased to forward your reply to the relevant person in the company and to our London office, 30 Farnham Street, London EC4A 4EA.

Research Economist Analyst

An opportunity to pioneer research in the Property Investment field

Our client is a major progressive firm of Chartered Surveyors and an established leader in the property investment field. The firm has offices in the City and West End of London which include an existing sizeable research and information department. The Partners now wish to appoint a Research Economist/Analyst who, while drawing on the facilities and help of the existing research people, will work as an independent unit, entirely responsible for researching, analysing and interpreting data specifically relating to the Property Investment market.

The successful candidate must have a personality capable of promoting his or her conclusions and information to both partners and clients.

This is a new post within the firm and an innovative development within the field of direct property investment — thus providing a forward looking young man or woman a unique opportunity for career advancement. Candidates between 24 and 28 will have 3 to 5 years' experience in a Stock Brokers' office or in the corporate planning department of a large organisation.

Starting salary — circa £8,000 per annum depending upon experience.

Reference 1500

Managing Director

London based

c. £16,000 + car

The British-based subsidiary of a large private American corporation which designs, manufactures and markets unisex leisurewear requires a Managing Director to lead a team of dedicated professional management in a continued expansion programme. Some travel to the USA and Far East is involved.

Leadership qualities, marketing skills linked to a fashion product — clothing, cosmetics, toiletries etc. and a sound knowledge of finance are important. A knowledge of the market with experience in importing would be most useful.

The appointment may well suit a

well-qualified, mature Marketing Director within a large company who now seeks the Chief Executive role. Salary around £16,000 with profit share, car and the normal fringe benefits including relocation assistance where necessary.

Ref. G2245/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

Quilter Hilton Goodison INVESTMENT ANALYSTS

We have vacancies for two analysts in our Research Department.

General Analyst

Arising from an internal promotion we now have a vacancy for an analyst with a degree or equivalent qualification and at least two years experience of investment analysis gained either in another firm of stockbrokers or in an institution. The successful candidate will be required to undertake research in several sectors of the market on a regular basis and should have the ability to write concise reports to support his recommendations.

Electrical Analyst

Due to continuing expansion we require an analyst to support our Senior Electrical Analyst. He will join our established team specialising in the electrical and electronics sectors. The ideal candidate will be a graduate with about 3 years City or related industrial experience. This newly created post will involve company visiting and the writing of regular reports, and to the successful applicant should be able to communicate effectively both verbally and in writing.

An attractive salary and excellent staff benefits will be offered to the successful applicants.

Please apply in confidence to R. B. Bland
Quilter Hilton Goodison & Co
Garrard House 51-55 Gresham Street
London EC2V 7LH Telephone 01-500 4177

LLOYD'S BROKER QUALIFIED ACCOUNTANT

AGE 25 - 35 SALARY circa £7,500

Our client a large and influential Lloyd's Broker, require a qualified accountant (A.C.A.) for their rapidly expanding underwriting agency.

The task is primarily to assist the Financial Director of the agency especially in dealing with all the financial implications and tax considerations for overseas members of Lloyd's.

The successful applicant must have personality, the ability to express him or herself lucidly and the ability to meet and deal with the Company's clients. A knowledge of Lloyd's is not essential. The terms and conditions of service are excellent and this could be both a rewarding and interesting appointment.

Salary circa £7,500

Please write or telephone G. A. White, Managing Director, (PS 12750)

WHITE MAUD AND WARNER LTD.
Personnel Selection
4 Botolph Claydon London EC3R 8DR
Tel. 01 626 5161 - Telex 888387

Chief F/X Dealer

Bahrain £Neg. - tax free

Our Client, a major International bank, seeks to appoint a senior F/X dealer to establish and develop the dealing room operations of its active O.B.U. in Bahrain.

Ideal candidates, preferably early 30's, will possess a minimum of 5 years' dealing experience which will have embraced both foreign exchange and currency deposits. Additionally, qualities of maturity and leadership are regarded as essential.

This responsible and challenging position is offered on the basis of a 3 year contract which may lead to a full-time career opening with the bank; the overall remuneration package will be most attractive and includes salary, free accommodation and free medical facilities.

Contact Norman Philpot in confidence
on 01-248 3812

NPA Recruitment Services Ltd

60 Cheapside London EC2 Telephone 01-248 3812/3/4/5

Financial Controller

This senior appointment is a key element in the plans of the STAFFORDSHIRE BUILDING SOCIETY for further development of its business and future management succession. The Society, with assets of over £110m., has a successful growth record, having increased its assets by some 20% annually over the past ten years. It has a staff of over 200 and a new headquarters building in Wolverhampton.

The appointed candidate will be responsible to the Managing Director for administering and developing the financial accounting and management information systems which are shortly to be computer based, and will progressively assume responsibility for investment of the Society's funds.

Candidates must be qualified accountants with proven senior level administration experience of computer based financial control systems, preferably within a similar service industry: investment experience will also be an advantage. Preferred age 35 to 45.

Salary for discussion; car; concessionary mortgage; pension; re-location help.

Please write with full details - in confidence - to G. E. Howard ref. B.29412.

This appointment is open to men and women.

MSL
International Management Consultants
Management Selection Limited
Union Chambers 63 Temple Row Birmingham B2 5NS

Managing Director

for a 1,000-strong engineering company in Lancashire (part of a notably successful British group) earning handsome profits on annual sales touching £20m. Their precision engineered fittings and components are market leaders.

The new MD will take over a sound ship. Yet the decisions of the coming three years - products, markets, investment - will set the company's course for the next ten. Success will herald a bright personal future.

Candidates, probably in their early 40's and not necessarily engineers themselves, must be experienced general managers successfully running a self-contained and substantial unit manufacturing and selling industrial products.

Salary around £15,000 plus appropriate benefits.

Please send career details - in confidence - to D. A. Ravenscroft ref. B.25468.

MSL
International Management Consultants
Management Selection Limited
474 Royal Exchange Manchester M2 7EJ

GROUP ACCOUNTANT/ SECRETARY

CITY Minimum £10,000 + car and generous benefits

Long established Group with interests in Malaysia, Singapore, Hong Kong, Australia, Mauritius and Canada, as well as the United Kingdom, requires an accountant aged 35/45 who is attracted by a varied and satisfying career.

Will report to the Finance Director and be responsible for coordinating/controlling financial and management information of the Group, annual accounts, taxation and secretarial duties. Also close involvement with Finance Directors of all operating units, necessitating some travel.

The successful candidate should be a qualified accountant, preferably a graduate, with at least 5 years commercial experience, together with good communicative skills and high level of self-motivation.

Replies in confidence to Peter Currie,
BLYTH, GREENE, JORDAIN & CO LTD.
Plantation House
Fenchurch Street, London EC3M 3EE

FORTY PLUS TALENT?

It is a wise executive who learns how to make a successful career change.

If your job search is becoming a frustrating experience find out about the FORTY PLUS CENTRE, London's new career service for top executives who are "forty-plus."

Telephone: 01-242 4876 for an appointment to see if you qualify.

FORTY PLUS CAREER DEVELOPMENT CENTRE
Templar House, 81-87 High Holborn, London WC1V 6LS

STOP COMMUTING Work in Cambridge

CHARTERED ACCOUNTANT - £8,000

CA sought by entrepreneurial Managing Director to work with him on new project analysis and development in a highly successful Cambridge-based company - activities include publishing, wide-ranging educational interests, consultancy recruitment and consultancy.

For a preliminary discussion please write (quoting home tel. no.) or ring:

Fiona Karlin (01-405 9582)
Hobson Recruitment Division
26 Great James Street
London WC1N 3HS

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

21st September

The Financial Times proposes publishing three pages of Newly Qualified Accountancy Appointments on 21st September following the publication of the results of the Finals Examinations.

If you are expecting to qualify, the Financial Times intends to publish the widest possible range of opportunities open to you.

If you are recruiting "Newly Qualifieds" the advantages of advertising in the Financial Times are considerable - the cost is £14 per single column centimetre - copy can be accepted until the day before publication - and the Financial Times has established an enviable reputation in this field.

For further details, including reprints of previous features, contact:

James Jarratt
on 01-248 4601 (direct line)
or 01-248 8900 ext. 588

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

International Banking Scandinavian Division: US Bank

An opportunity for a young banker to join the Scandinavian Division of a major multi-national U.S. Bank.

Responsibilities include the development and servicing of Corporate Accounts in Scandinavia. Based in London, up to 40% travel will be required after an initial orientation period.

Candidates, male or female, will be graduates having 2/3 years' banking experience, preferably in Corporate lending in the Nordic countries. Scandinavian language proficiency is essential.

The compensation package will be based on U.S. competitive practice and includes appropriate benefits.

Please send a comprehensive C.V., indicating any companies with whom this should not be discussed, or telephone (01-629 1844 at any time) for a Personal History Form.

D. M. Watkins ref. B.1017.

MSL
International Management Consultants
Management Selection Limited
17 Stratton Street London W1X 6DB

Personnel Director c.£15,000

This significant position is with a major growth company, which currently employs several thousand employees and has a sales turnover of £50 million+. Responsibility is for the whole range of personnel activities and requires a seasoned personnel professional, who has the stature to contribute in the widest business sense. The successful candidate is likely to be a graduate, aged 35+, and will have a career background in companies with well-developed personnel policies and practices.

The Company is based in the South of England and a comprehensive range of benefits including a car are provided. There is ample opportunity for further career progression. Applicants, male or female, should send concise details covering age, experience, qualifications, current salary and contact telephone number to the Appointments Manager,

Bull Holmes Bartlett

Bull Holmes Bartlett Ltd.,
45 Albemarle Street,
London W1X 3FE, quoting
ref: 496 on your letter and
envelope. Our client
guarantees applications will
be treated in strict confidence.

Executive Director

National Association of Steel Stockholders

The Association was founded 50 years ago and represents some 280 members with a turnover around £800m. Their function is central to the industry.

The role is to act as the Association's spokesman and to provide strong impartial leadership to the conduct of its affairs. The Director chairs the Executive and the other main committees and works closely with the European Coal and Steel Community and with the Association's international counterparts.

Candidates must have wide industrial experience at Board or equivalent level. Experience with a national trade association (not necessarily as a member of the staff) would be valuable, as would a background in steel, metals or heavy engineering. The preferred age is 40 to 50.

Salary for discussion around £20,000. Location Home Counties.

Please send relevant details - in confidence - to R. M. Cooper ref. B.60375.

MSL
International Management Consultants
Management Selection Limited
474 Royal Exchange Manchester M2 7EJ

AUDITING IN AN INTERNATIONAL BANKING ENVIRONMENT

We are a major American Bank long established in London. Recent worldwide expansion has necessitated increased manpower requirements in our London based Internal Audit team. Rewarding posts are available in a highly professional systems-orientated environment involving overseas travel.

Applications are invited from candidates aged 23-29, with or without AIB and having practical or audit experience of international banking. Preference will be given to applicants with fluency in French and/or EDP experience. An excellent salary will be offered to the successful applicants with generous fringe benefits generally associated with a first-class bank. Applicants, male or female, should send full details of their age, education, experience and current salary to:

Box No. RD 4808
c/o Exel Recruitment,
Pemberton House, East Harding Street,
London, EC4

The names of any banks to whom you do not want your application forwarded should be clearly printed on the back of the envelope.

Major Merchant Bank CHARTERED SECRETARY

c.£8500 City of London

A major Merchant Bank, one of the Accepting Houses, has a vacancy in its Investment Division, which acts as Secretaries and Investment Managers to a number of listed investment trust companies. The position is at manager level for a Chartered Secretary in the Accounts and Secretarial Department.

The successful candidate will have a sound knowledge of Stock Exchange requirements and a thorough understanding of the financial aspects of this type of work. Although age is not a critical factor, it is unlikely that any person less than 30 years of age will have the necessary experience for this responsible position.

Salary will be negotiable around £8,500 and the attractive staff benefits available will include housing loan facility, non-contributory pension scheme, life assurance, medical insurance and interest-free season ticket loan.

Please write with full details to: Box FT/542
c/o Hanway House, 5 Clark's Place, Bishopsgate, EC2N 4BJ
Should there be any companies to which you do not wish your application to be forwarded, please list them in a covering letter addressed to the Appointments Manager.

MARKETING DIRECTOR- SHIPPING

circa £10,000 (negotiable)
plus company car

The UK cargo organisation of a major Swedish Shipping Group is seeking a top level Marketing Director to head up the sales effort.

Current activities include the selling of container services for three major trading areas, carried out by own offices and regional sales agents. Further growth is planned.

Applicants, preferably graduates or professionally qualified persons aged between 26 and 40, should possess a first-class track record gained in a shipping environment. The successful man or woman will be expected to contribute significantly to the overall UK performance and will control a staff of approximately 30 persons. UK and Overseas travel is involved. Location—East London.

Please write in confidence for an application form to:
KENNETH HOWELLS (PR) ASSOCIATES,
16/17 Bride Lane, London EC4Y 3EB.



Coffee Trader

A Manager with wide International contacts and experience in all coffees, particularly Brazilian, is required to create and motivate a Trading Team based in London for a Company with the highest international trading reputation. A basic salary in the range of £12,000—£15,000 p.a. will be negotiated together with participation and substantial benefits.

Please write or telephone Mr. Graham Stewart or Mr. Colin Stanton regarding this position.

Edmont House 116 Shaftesbury Avenue, London W1
Tel 01-439 1761

A supreme challenge from a \$2.5 Billion turnover group...

Regional Financial Director

Athens based, to cover Africa/Middle East

This role calls for an outstanding blend of financial and management skills plus the personal 'power' to take responsibility for the financial operations of a vast trading area from a base in Athens, where you'll report to the Regional V.P.

Our client is a major multi national group with diverse interests. They seek a dynamic leader — a finance specialist in his middle/late thirties, ideally a graduate, who has first class Professional and business qualifications. Preferably a Greek National who will have had full exposure to the demands of a large corporation with at least 8 years in senior management — 3 of which should have been spent at Director level.

Fluency in English is essential and French would be advantageous. Considerable travel is involved.

If you feel you can justify a high income, generous benefits and excellent prospects — don't hesitate, contact us quoting ref. L882.

In London (01) 930 0497, 2 St. Albans St., London SW1Y 4QS
In Toronto (416) 920 7702, 50 Prince Arthur Avenue, M5R 1B5
In Montreal (514) 849 5357, 115 Sherbrooke St. W. H3A 1H3
In Calgary (403) 265 8780, 715 5th Avenue S.W., Ste 1818T2P 2X6

START YOUR CAREER WITH EUROPE'S BUSINESS NEWSPAPER

The Financial Times is expanding its sales team in the U.K. and is looking for young people who wish to start a career in Advertising and Marketing.

Aged 18-20, these sales trainees will need to be presentable, be able rapidly to act upon their own initiative, have a good command of English and be prepared to be integrated into the present sales team in order to become fully trained.

If the idea appeals to you and you match these requirements, contact: Tony Kippenberger, U.K. Advertisement Manager, Financial Times, Bracken House, 10, Cannon Street, London EC4P 4BY. 01-248 8000.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

General Manager

Middle East

Investment Co.

A well established expanding investment organisation is seeking a senior executive to become responsible for all investment operations, staff development and general administration of the company.

Candidates, ideally aged 35 to 45, must be thoroughly experienced in the preparation and presentation of investment proposals and in negotiation, documentation and syndication of international loans.

Attractive terms will include a tax-free salary in the region of £20,000 p.a., free furnished accommodation, car, assistance with education costs and air travel for home leave.

Write in confidence, quoting reference 3889/L, to E.W. Comford.

Peat Marwick Mitchell & Co.,
Executive Selection Division,
165 Queen Victoria Street,
Blackfriars, London, EC4V 3PD.

ACTUARIAL OPPORTUNITY IN INVESTMENT MANAGEMENT

The Royal London Mutual Insurance Society has created a new post within its small but active investment management team for an Actuarial Student, aged early to mid-twenties, who is making good progress in the examinations. As a member of this team the successful applicant would be engaged, after a short period of training, in both research and dealing in connection with a large portfolio of Stock Exchange securities.

This opening offers a competitive salary, interesting and varied work and the prospect of an attractive career to the right person, who, although initially working in London, must be prepared to live within easily commutable distance of Colchester, where the Royal London aims to be relocated in approximately four years' time.

Apply in writing to:

The Investment Manager,
Royal London Mutual Insurance Society Limited,
Royal London House, Finsbury Square,
London, E.C.2.

Personal Assistant

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Thursday September 7 1978

A vote for inflation

KING CANUTE had the help of Nature. When he needed to convince his courtiers that he was less than omnipotent, he had only to command the tide to retreat and leave them to watch his feet getting wet. The Prime Minister has had less luck with his supporters at the TUC. Despite his repeated attempts to explain the limitations of State economic power, the trade unions vote ever more resolutely for never-never land.

Rigidities

The rejection of a 5 per cent wage norm could be defended, in isolation, as a perfectly serious vote against the rigidities and distortions which result from incomes policy, and tend to get steadily worse as the period of controls is extended. A resolution which speaks of "normal and responsible" collective bargaining is superficially attractive. Responsibility, after all, implies not pricing your members out of their jobs, negotiating the means—higher productivity—as well as the end, higher real wages, and keeping fratricidal wars over differentials within bounds. Unfortunately the context of the TUC resolution makes it clear that any reference to "responsibility" is purely rhetorical, as far as the TUC is corporately concerned.

On the wages front alone, the unions appear to be demanding their piece twice over—an increase in pay of unknown size, and on top of this a substantial cut in working hours. The Prime Minister got a bad reception when he reminded the unionists that they could demand extra money or extra leisure, but one would have to offset the other. There are also the routine demands for special treatment for low pay, reviving memories of a union official who once argued in a broadcast that everyone should get at least the average.

However, claiming more than you expect to get is a normal part of bargaining, and unrealistic targets will not seduce the more realistic man on the shopfloor; there are still encouraging signs that a large rise in real wages does not encourage the sillier sorts of

inflation. It is the economic policy context of these claims which is more wrong-headed, more inflationary, and more likely to mislead.

It would be hard to contrive a recipe more likely to provoke inflation and inhibit growth than the blend of job protection, higher public spending, tighter price controls and confiscatory attacks on wealth applauded by the delegates. Unfortunately it is only too easy to persuade some men in the street that price controls stop inflation, that giving unproductive work to the jobless solves the problem of unemployment, and that any damage done by compressing profits and destroying incentives can be put right by an indiscriminate application of the North Sea funds. Most people have now learned that they cannot get the moon by being paid in conflict; some may still be persuaded that they could after all have the moon if only the Government would adopt the illogical "alternative strategy" sponsored by the TUC and supported by some Labour MPs.

Cost of harmony

The Prime Minister and the Chancellor, of course, are men who have learned realism in a hard school, and there is no chance of their believing this nonsense: a Labour Government under either would be one which, while sympathising with trade union aspirations, would seek to reject most TUC policies for achieving them. However, a Labour government opposing the basic ideas of the trade union movement has to pay a price in what it considers less essential matters—exchange controls, the structure of tax concessions, expensive rescue operations, an attempt to enforce wage norms through back-door pressure on employers, unrealistic proposals for workers' participation, and burdensome employment legislation. In total this is a high price to pay for the apparent harmony between Government and the trade union movement. The TUC's resolutions suggest that future harmony would also be bought dearly.

The moment to retire

FOR SOME years past and more noticeably since last month when they seized the Government palace in Managua it has been the left-wing Sandinista guerrillas who have made the running among the opposition to the Government of General Anastasio Somoza, the President of Nicaragua. With a good deal of help from the Cuban government the Sandinistas, despite deep and bitter internal disagreements, have mounted a number of hit and run operations against General Somoza, the third member of his family to occupy the presidency of a country which they have controlled since the early 1980's.

Conservative party

At times the Sandinistas hit the front pages of the world's newspapers as when the seized a group of diplomats and politicians during a Christmas party in Managua or when they made raids over the border from neighbouring Costa Rica. It is doubtful, however, if they made any real dent in the well entrenched position of the Somoza family in the country. The statistics show that last year the gross domestic product grew at no less than 6.2 per cent, a rate of increase which many more developed countries of the world have reason to envy.

In the past few weeks however a major change has come over the opposition to the Somoza government, prompted perhaps by the murder of the noted newspaper editor and leader of the Conservative party, Sr. Pedro Joaquín Chamorro, some months ago and the insurrection of many young people in the city of Matagalpa. The Conservative party which had gone for decades without making any protests against the practices of the ruling family and its followers in the Liberal party suddenly recovered its voice and the business community which had remained silent about the past excesses of the Somozas also raised its protest.

The situation today in Managua is that much of the economic life of the country has been brought to a halt as a result of a strike decreed by

business leaders against the Somoza government. Despite pressure ranging from arrests to the severing of lines of credit to protesting businessmen the stoppage continues. Traders and manufacturers argue that the longer General Somoza stays in power the greater the threat of full blown civil war in Nicaragua. Civil war, they argue would bring ruin to the economic structures of the country and would have the political effect of strengthening those sectors of the left which had hitherto not been notable for their successes. At the same time the General himself has shown signs in the past few days of not being in control of the situation. He has not been able to stop a run on the banks and while his soldiers have been attempting to quell the insurrection by force he has made liberal use of verbal violence against those who are unsympathetic to him. He has made the astonishing assertion that the U.S. administration is under Marxist influence and he has launched a direct personal attack on President Carlos Andrés Pérez of Venezuela.

The economy

While he has claimed that all opposition to him is Communist-inspired he has included among the detainees numerous well-known businessmen who are anything but Communists, including, for instance, the general manager of Coca-Cola in Nicaragua and members of the Nicaraguan equivalent of the Confederation of British Industry.

Faced as he now is with virtually universal opposition to the rule of his family it would be much better for him and for him if he decided to retire immediately and not try to hang lamely on till his official presidential term expires in 1981. Nicaragua and its economy would avoid unnecessary damage if General Somoza were to call it a day, forget any ideas he had of installing his son as a member of the third generation of the family to rule the country and bring the curtain down on a dynasty which has ruled with mixed success since 1932.

The Japanese export express slows up

By CHARLES SMITH, Far East Editor

JAPAN'S TARGET of a 7 per cent growth rate in its 1978 fiscal year is coming under strain for a reason which, ironically, should be very much to the taste of its partners and competitors in world trade. The reason is that the export boom which kept the economy growing through the years of global recession following the 1973 oil crisis at long last seems to be coming to an end.

The collapse of exports (if that is not too strong a word—though some officials at the Economic Planning Agency and the Ministry of International Trade and Industry would certainly not object to it) seems likely to leave the growth rate at least a percentage point short of the 7 per cent to which the Prime Minister, Mr. Takeo Fukuda, committed himself at the Bonn Summit in the interests of a global economic recovery. It could also mean that growth in 1979 (about which Japanese officials are already worrying) will be substantially less than whatever turns out to be the final figure for 1978.

To say that the export boom is ending is not the same as saying that Japan's current account surplus is about to return to modest levels from the excessive heights of the past year or so. Expressed in terms of dollars, the surplus is still tending to get larger. Exports in the first three months of the 1978 fiscal year (April to June) were running 23 per cent above the level of the previous year in dollar terms, while the value of imports was only 5 per cent higher. For the fiscal year as a whole, Japan looks like running a trade surplus of well over \$200bn, while the official estimate for the current account surplus (including invisibles) now stands at \$2,700bn. (At the current exchange rate, this works out at \$14.2bn).

These figures for the nominal value of Japan's exports in devalued dollars must, however, be set against the figures for the actual volume of shipments, which show very different trends. Measured on a volume basis, exports showed a 2.5 per cent decline from a year ago during the three months from April to June, while in July alone the fall came to 7.6 per cent. Conversely, import volume showed a 1.9 per cent rise from April to June, and scored a 4.4 per cent gain in July.

The reason for the downward trend of the volume of exports and for the beginnings of an upward trend of imports is simple enough. Yen revaluation (by 53 per cent against the dollar since the beginning of 1977) has at last begun to blunt the competitive edge of Japanese goods in world markets, while simultaneously making imports cheaper. The effects of yen revaluation on

exports can be measured by looking at the trend of shipments by four of Japan's strongest export industries over the past few months.

The industries concerned are motors, ships, steel and TV sets. The last three suffered declines in their export volume ranging from 45 per cent (for ships) to 9.5 per cent (for steel) from April-June 1977 to the second quarter of 1978. Car exports were still running ahead of 1977 levels in April-June, chiefly because distribution pipelines in Japan's largest export market, the U.S., had been allowed to run dry and were being replenished. In

appreciation of the yen may almost have run its course and is not likely to produce any further savings in the prices of such goods (expressed in yen) in the near future. On the consumer durables front, an instance of yen revaluation taking effect is that of car imports. They have risen in volume by 16 per cent since the start of 1978. Waiting lists of "up to three months" are being reported for some European cars (notably Mercedes and Jaguar).

The growth of imports of manufactured goods and the levelling off of exports has begun to have an appreciable

relations with the outside world are concerned, and why it may not be free of such troubles for some time. The second, and more serious, reason for anxiety is that the slowing-down of exports has removed a much-needed prop from the Japanese domestic economy.

The importance of exports (or rather of the overseas sector as a whole) to the progress or lack of progress made by the rest of the economy can be understood from a brief glance at the GNP for the first two quarters of this year. In the first quarter, when the economy registered impressive 2.5 per



Japanese car exports have started falling

July, car exports also started falling, and the expectation is that the trend will continue.

The behaviour of imports over the past four months is harder to chronicle in detail because no figures are available for the volume of individual items. The most that can be said is that raw material and food imports, which traditionally make up the overwhelming bulk of Japan's purchases from the outside world, are apparently not growing, but that imports of manufactured goods have started to rise. Official figures indicate that the ratio of manufactured imports to total imports has risen as high as 30 per cent in some recent months from the 20 per cent level at which it was hovering until a year or so ago.

Japanese trading companies are said to be stepping up their order for European and U.S. machinery and other capital equipment in the belief that the

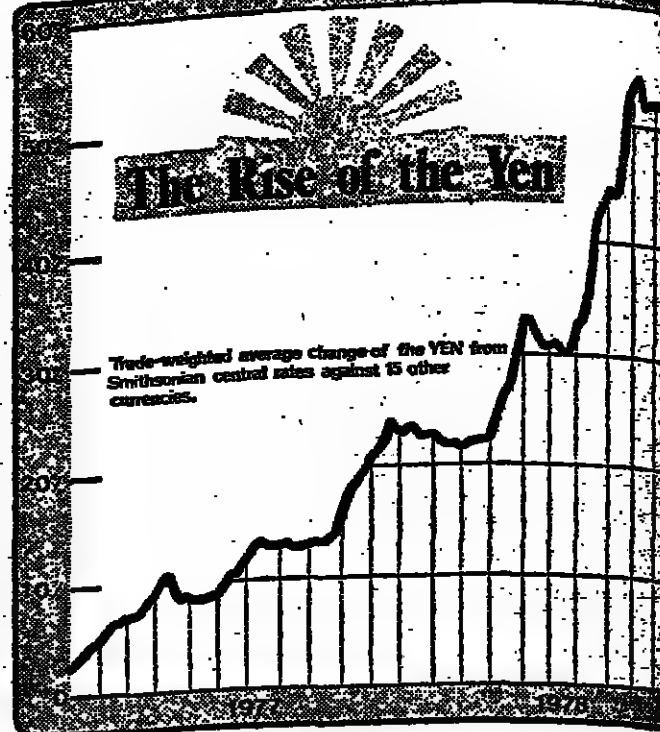
impact on Japan's trade balance with the EEC, for long a source of friction and argument. It began to show signs of stabilising during the early months of 1978, after at least five years of inexorable growth of the Japanese surplus with Europe. The trend seems to have continued up to July, although EEC officials remain sceptical whether it will last.

The signs of a turn-round in Japan-EEC trade contrasts rather glaringly with the position vis-à-vis the U.S. For a variety of reasons, including the relatively low share of manufactured goods in U.S. exports to Japan, the Japan-U.S. trade gap has opened still wider in 1978 than in the previous year. It will almost certainly set an all-time record for the year as a whole.

The uneasy trading relationship with the U.S. is one reason why Japan is still not out of trouble, as far as its economic

cent growth over the previous quarter in real terms, exports were booming and imports were static, with the result that GNP growth of no less than 8.7 per cent came from the external sector.

The situation in the second quarter of the year was the reverse. The external sector made a negative contribution to overall growth, so that GNP expanded by a mere 1.1 per cent, less than half the rate achieved at the beginning of the year. Foreign trade though yielding a net surplus on a monthly basis, will be making a diminishing contribution to overall GNP growth for the rest of this calendar year and probably well into 1979. The Government thus seems to have a serious problem on its hands—how to keep the economy growing on schedule for the rest of the fiscal year without the



assistance of what used to be its most dynamic sector.

The 7 per cent real growth target, to which Mr. Fukuda originally committed himself last December at the height of what looked like an alarmingly intense confrontation with the U.S., can be attained if, but only if, the economy manages to deliver a quarter-to-quarter growth rate of 2 per cent in real terms during the remainder of the fiscal year (i.e. from now until March 31, 1979). This is nearly double the growth rate of the April-June quarter. Some things drastic will clearly be needed to put the economy back on trend during the next few months.

The need for decisive action was underlined in a White Paper on the economy published by the Economic Planning Agency shortly before the summer holidays. The warning seems to have been taken to heart by the committee of economic Cabinet Ministers, who spent much of August discussing ways of putting life back into the economy. Even so, there are doubts whether enough has been or will be done to boost the growth rate during the rest of the year.

The centre-piece in the Government's short-term economic strategy is the \$2,500bn public investment package presented last weekend. It provides for the pumping in of funds equivalent to about 1.5 per cent of the 1977 GNP into a wide range of public works projects, such as roads, drainage, schools and hospitals, and for the allocation of extra funds to State-subsidised housing programmes.

After allowing for the cost of acquiring land and for delays which may extend the implementation of the programme beyond the end of the fiscal year, the Government estimates that the net contribution of the package to GNP will be around 1.3 per cent, or enough to bring 7 per cent growth "comfortably" within reach. Private forecasters doubt this estimate and are more inclined to think that, even with the package, growth may barely reach 6 per cent during the fiscal year.

They also ask whether the Government has not been over-cautious in confining itself to financing the package mainly from reserves accumulated from

the 1978 main budget, rather than from new deficit financing. There will apparently be additional increases in Government's bond issue in autumn, beyond the amount already allocated for the 1978 budget, so that the package on money supply will be neutral.

Another option which Government seems determined not to exercise is to stimulate demand by means of a tax cut. Mr. Fukuda and other conservative-minded economists in Government argue that cut taxes would merely encourage wage-earners to save even more of their incomes than they are doing at the moment. Opponents, who include quite a number of the most distinguished economists in the private sector, see a tax cut as the most effective way of stimulating consumer demand (which accounts for over 50 per cent of GNP but is obstinately refusing to grow).

The merit of Mr. Fukuda's economic line is that it probably helps Japan to maintain its record as one of the most inflation-free major industrial countries in the world. The wholesale price index which was originally expected to rise by a modest 2.7 per cent during fiscal 1978, is now officially expected to fall 1.9 per cent during the months to next March. Consumer prices will probably fall by less than 5 per cent each. The Government's original estimate of 6.8 per cent.

The demerits of the Fukuda line are that it seems to promise little or no progress in the reduction of unemployment (or, what is equally significant, the under-employment of the in work), and probably will help industry to tackle the system, and worrying problem of excess capacity (over-estimated at well over 15 per cent).

The Japanese economy is set through 1978 and the first quarter of 1979 without serious mishaps, even if GNP growth rate falls well below the target of 7 per cent, 1978, when growth may or even less easily than it is to be doing this year. A Fukuda's play-it-safe approach to economic policy may be out to be far less appropriate

MEN AND MATTERS

Switching the court circuit

The Crown Jeweller, Bill Summers, tells me that he was "slightly caught out" this week when Buckingham Palace announced that Prince Charles was to switch on the Christmas lights in Regent Street. It was only at the end of the month that he was planning to announce that, after seven years of austerity, the lights were to make a comeback.

Summers, a director of Garrard and Co., and president of the Regent Street Association, says that the fault was his for not checking with the Palace on when the announcement was to be made. But at a hurriedly convened press conference yesterday he had no apologies for the way that Regent Street is sticking to light bulbs while Oxford Street is moving with the times and switching to lasers.

The Oxford Street laser jamboree of a "moving ceiling of lights just above the roofs of London's buses" is to cost some £250,000 to instal and

promote. But Summers, as befits a spokesman for a street laid out by Nash, adopts a more traditional approach: "One doesn't want to be thought stuffy, but I think laser beams in Regent Street would not be quite right."

Prince Charles is to switch on the more conventional display of silver garlands on his birthday, November 14. The cost of the 5,000 bulbs is £60,000, relatively modest by Oxford Street standards. But from Summers' air of confidence I had the impression Regent Street thought a Royal hand throwing the switch was worth any number of argon lasers round the corner.

Flights of fancy

Flying is fun. For those who missed out this summer while waiting two days and more for a plane, British Airways is thoughtfully spending £2.5m to brighten up its image.

A "warm and friendly" television family called the Taylors will soon take up the challenge of showing how enjoyable flying has become since those heady summer days. The aim of BA's advertising spree is to bring a "sense of adventure to the airline business," says a spokesman.

BA, I am told, is seeking to reflect how it has changed its face. The big change was, it seems, when BEA and BOAC merged four years ago—which shows that facial surgery in the airline business takes time. Now the top priority is to rid BA of its "snob appeal" (airline image), and to show it as a "human, caring airline." What about the "Fly the Flag" campaign? Well, that had been a "bit heavy," and in any case the airline "is now a changed outfit, absolutely committed to low fares," I was told.

Britain's new mass-appeal airline admits that businessmen are facing problems caused by the

pressures on counters and seats from the low-fare end of the market. But now special discount sales centres are to be established. In a cruel cut, businessmen are to be discouraged from buying at these—though it may be a consolation that they should receive a faster service from the usual channels. It all sounds marvelous fun.

Stirring the sands

When the Nile turned to blood, red volcanic dust was the reason. As for the pillars of fire by night and of smoke by day, they could possibly have been the island of Santorini erupting. These challenging interpretations by Exodus are only two of the theories put forward this week by the metal-lurgical, John Dayton.

His recasting of the history of the ancients includes bringing forward the date of the destruction of the legendary Atlantis—by some two centuries to 1350 BC. He also argues that the dynasties of upper and lower Egypt were not united by the first Pharaoh, Menes, until 2000 BC, 1000 years later than customarily accepted. Even more controversial is his suggestion that Menes of Egypt and Minos of Crete could be one and the same character.

Slightly far fetched, I ventured to suggest, only to be told that his dates actually fit in with the dates established by carbon dating—provided these are not "corrected." The usual correction is to apply the changes necessary to adapt ages established by carbon dating to those of the rings in the long-lived bristle-cone pine in Arizona. Such adaptations may be suitable for North America but not for this side of the Atlantic, Dayton firmly says. He is even more dismissive of dating systems based on pottery. "Styles from one year can be made much later too. In any

case, if a future archaeologist tried to compare a plastic mug with a Royal Worcester cup, he would not get very far."

His own dating is based on the sophisticated technology used in metal smelting and glazing. He thinks it "bizarre" that under present dating techniques bronzes with tin apparently took 1000 years merely to cross the mountains from Mesopotamia to north Syria.

In his book *Minerals, Metals, Glazing and Man*, which has just been printed he lists "technological horizons" which abolish such anomalies, he claims. And, working from the premise that the processing of raw materials had first to take place near where they are found, he insists that civilisation could not have begun in the Fertile Crescent. Silver, tin, cobalt and 23 other elements essential to this civilization are not found there. Instead Dayton suggests Bohemia is a more likely venue—which, instead of Egypt, may have been the true source of the blue faience beads found from Wessex to the River Indus.

How did the archaeologists at this week's international congress react to all this? "Well, it is quite a task cutting the Gordian knot of accepted chronology. Some have said that it was about time something like this happened. Others gasp that my 496 pages will take a lot of reading."

Think positive

A Surrey reader watching football with a Jordanian friend remarked on the lack of enthusiasm of one side's half-backs. "You English are defeatists," remarked the Arab. "In my country we would make such players feel good by telling them they were half-forward."

Observer

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Poverty and policy: a cool look

"THE POOR are always with us." — "In a just society no one ought to be poor."

These quotations represent not merely two different social philosophies, but two views of poverty. If poverty is defined in absolute terms, then the wealthier a nation becomes, the greater will be the proportion of the population above a given poverty standard, even if economic progress has no effect on the relative distribution of income. But of course such progress also makes it less costly to redistribute income, so as to secure for all a given prescribed minimum.

But poverty is also a relative concept, and in practice that is how it is mostly regarded today. Social security benefits, for instance, are linked not only to prices but to the movement of earnings in the whole community. From this point of view poverty is measured by the differences between those with lowest incomes and the general average of the population.

The existence of some people with incomes well above the average is almost irrelevant to the poverty debate. This is so in crude statistical terms because there are not enough high incomes to provide resources for redistribution. Table 1 shows that if all net incomes after tax in excess of £10,000 had been redistributed in 1975-76, the head of the population in excess of £20,000 would have yielded £2 per head. (Wealth is more concentrated than income, although not by as much as the headline figures suggest.)

But these crude statistics misstate the position. For if such confiscation took place, these

excess incomes would be unlikely to be earned in the first place. Indeed a lower top rate of tax might actually have yielded more revenue. The table suggests that incomes above £20,000 were effectively taxed at 80 per cent. If a reduction of the top rate to 60 per cent led to an increase of one third in the amount of top incomes earned, declared or received in taxable form rather than in perks or in the form of capital, this in itself would be enough to finance the reduction. Anything more in terms of incentive would be a pure gain in revenue terms.

In an advanced modern economy the poor—in the sense of those at the bottom of the income scale—no longer make up the majority, but are instead a large minority. This makes their position more hopeful, but also highly dependent on the generosity of the great bulk of the electorate in the middle ranges of income rather than that of a few high income earners at the top.

Family

One of the most penetrating economic investigations of modern poverty was recently made by Richard Layard and associates in a Background Paper for the Royal Commission on Distribution. They recognise from the outset that poverty, even relative poverty, cannot be defined simply in terms of income. An income which represents hardship for a large family might enable a childless couple to live quite comfortably. The authors' procedure is to use the Supplementary Benefit Scale, which takes into account family circumstances and also housing expenses. A family is defined as being in poverty if its net

annual income is less than 140 per cent of the Supplementary Benefit Scale. Some 26 per cent of the population and 29 per cent of all families are to be found in such a position. For comparison, the majority of people live in families with income clustered around 200 per cent of the Supplementary Benefit level.

Some 64 per cent of elderly families are classified as low income; and the elderly account for 57 per cent of the poverty total. The crucial factor likely to save a retired family from poverty is of course the existence of an occupational pension.

Single parent families are likely to be poor, but they account for only a small proportion of total poverty. Poverty among couples is greatest where there are three or more children and the wife is not working. In this category 48 per cent are below the poverty line. Poverty is also high among the unemployed. As they also tend to be people with low wages when in employment, their poverty may be quite compatible with their not having very great financial incentive to find a job.

These influences may seem obvious, but they do show the futility of trying to tackle poverty by introducing a bias in favour of the lower paid into wage settlements. Such a bias would price many people out of jobs while still leaving the incomes of many employed people—not to speak of the old and unemployed—below the poverty line. As the report says, "a substantial proportion of low paid employees (eg earning wives and young people living at home) are not in poor households; and a substantial proportion of the poor are not low paid." Indeed one of the main conclusions of the Royal

1. TAXATION OF HIGH INCOMES 1975-76

(1) Level of total income	(2) Number of tax payers above that level	(3) Excess income	(4) Income tax on excess income	(5) Gross income per cent of population	(6) Net of tax
£10,000	370,000	1,800	1,210	32	11
15,000	250,000	880	670	16	4
20,000	140,000	530	410	9	2

Column 3 shows total income earned by recipients in excess of levels shown in Column 1.

Column 4 shows income tax levied on this excess income. Columns 5 and 6 show gross excess income divided by population gross and net of tax.

Source: Written Answer by Mr. Robert Sheldon to Mr. John MacGregor, Hansard July 24, 1978, Column 500

Commission study is that the poorest families of the community are largely dependent on the state for their support. (Some 60 per cent have no other earnings.)

The Commission's Background Paper also contains a fascinating attempt to account for variations of hourly earnings. The results are summarised in Table 2. The basic determinant of hourly earnings apart from work experience appears to be the number of years of full time education. For instance, a man who was at a university or polytechnic at the age of 18 plus will on average earn about 70 per cent more per hour than someone who left school at 15. By comparison his father's occupation has much less effect. The son of a professional man or manager is likely to earn only 14 per cent more than the son of an unskilled labourer.

There are, of course, some snags at this analysis. Even taken at its face value it only explains a little more than a third of the total variations in earnings. Although a university graduate will on average

2. HANDICAPS AND ASSETS

Percentage change to hourly earnings resulting from various personal characteristics taken one by one.

Left full-time education at	%
15	-11
16	-24
17	-46
18	-52
19	-84

Father's occupation

Professional and Managerial	-72
Other non-manual	-12
Skilled manual	-4
Semi-skilled manual	-2

Years of work experience

5-10	-92
10-20	-132
20-30	-159
30-40	-180
40-50	-151
50+	-151

Coloured, W. Indies

Other coloured	-22
British-born	-7
Has long-standing illness	-4
Is married	14

(The basic individual left school at 14 or under, had an unskilled father, was born outside Ireland, has no long-standing illness, is unmarried).

Male full-time employees under 65

Source: Layard et al.

There is also an interesting finding on hours of work. The less men are paid, the longer the hours they work. With women it is the other way round: if they are paid less, they work less. It is estimated that a 10 per cent rise in men's hourly pay leads to a 1 per cent fall in hours. It will also reduce the likelihood of his wife working. On the other hand a 10 per cent rise in women's earnings leads to a 4 per cent rise in the rate at which they participate in the labour force.

Finally the Commission Paper spells out the way in which unemployment hits different groups. The unemployment rate for unskilled men is about four times the national average, while that for professional men is about half. Not surprisingly unemployment benefit is a higher proportion of the wage when in work of a low earner than a high one (despite the earnings related supplement). We have then the cruel paradox that unemployment hits most heavily those who are already down; but it is difficult to raise benefit because of the effect on work incentives at these levels.

The calculation is made that a 10 per cent rise in the ratio of net income in work to work to net income in work will raise the unemployment rate by a twentieth of itself. This is surely too low; for it suggests that even if there were no financial difference at all for most people between being in or out of work the effect on the national unemployment rate would rise by only a fraction of a per cent. This is a criticism not of the authors but of the current statistical approach to economics.

Much more interesting is the "parallel social security system," to which the authors draw

attention, for those in work. It consists of Child Benefits, Family Income Supplements, rent and rate rebates, and free school meals, to name the most important: the Tax Credit Scheme of the last Conservative Government for lump sum payments to all employed individuals would also belong here. If these payments could be made automatic, so that the stigma of claiming were abolished, and related to each other in a coherent way, it would be possible to provide a minimum income level at any level that taxpayers were willing to pay for. The more this parallel system can be extended, the less reliance need be placed on unemployment benefit, and the less the likelihood that a generous level of provision would make it unprofitable to take a job.

The more one thinks of it the clearer it is that the ideal tax and social system for combining incentive with redistribution would be the combination of a lump sum social payment to all related to family circumstance, combined with a high but non-progressive rate of tax, the same at the margin for all taxpayers. This would be unpopular with Left and Right because it would benefit the top and the bottom at the apparent expense of those in the middle; and it would recognise the rights both of the drop-out and the highly motivated go-getter. But this is the only route to a society which is civilised and energetic at the same time. The easy route is to one which is neither.

Samuel Brittan

"The Causes of Poverty, Background Paper No. 5, HMSO, 1978."

Letters to the Editor

Dispersal technique

From Mr. A. H. Scott.

Sir—Why indeed should anyone want to go to Heathrow and then grumble about delays and overcrowding in the peak tourist season? We need dispersal.

At Birmingham Airport there is a network of motorways and railways, the prime tourist attractions nearby and it is in the centre of England. At the airport there is also the National Exhibition Centre, and the tourist influx corresponds with its off season. There is much parking space and many hotels which serve it. It is an ideal place for dispersing tourists on coach tours. London is easily accessible by rail before or after a tour.

In Essex it would save the locals a lot of travelling if, in addition to the rail service, there were to be a direct flight from Southend to Paris. In addition, these would be the only flights from the London area which would have one journey across Paris for a connection at Orly.

A. H. Scott, 102 Beech Road, Chelmsford, Essex.

Dark side of the moon

From the Planning Director, British Airways.

Sir—The correspondence concerning about road and rail travel to Gatwick (Letters, August 29 and September 1) is understandable. But I believe they—like many other people—may have missed the main point. The argument should not be about the relative merits of Heathrow and Gatwick, for they are complementary components of a single international airport system, but can we enable London, the main European air transport hub, to continue to develop as the valuable national asset it is now?

The problem is one of increasing numbers of passengers. Heathrow has a capacity of 30m passengers a year. Last year this airport coped with 24m passengers; this year the figure is likely to be 28m. At this rate of growth, clearly 30m will be reached by the end of 1980. The proposed fourth terminal, currently the subject of a public inquiry, would not be ready until 1984 at the earliest. Any plans for a fifth terminal or development of an existing one are still the subject of Government consultation and could not be decided in less than eight to ten years.

Gatwick, the other hand, fresh from a £100m improvement programme, has capacity to spare. This is the reasoning behind the Government's decision to transfer certain services from Heathrow to Gatwick. However, I think I should also put the record straight on a number of points.

First, one of the main reasons for the move of Spanish and Portuguese services has been claimed that it will be a business as a result. The logic of this assertion is difficult to follow. The low, state aid, of the existing services will be transferred as an instance, would be based on his profits for the year ended 30 September 1978, it is nevertheless his administrative convenience may be based on the profits for an entire year. This liability has been claimed that it will be a business as a result. The logic of this assertion is difficult to follow. The low, state aid, of the existing services will be transferred as an instance, would be based on his profits for the year ended 30 September 1978, it is nevertheless his administrative convenience may be based on the profits for an entire year. This liability has been claimed that it will be a business as a result. The logic of this assertion is difficult to follow. 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COMPANY NEWS

Bulk shipping drags P & O down to losses at midway

FOLLOWING the warnings given in June of deteriorating trading conditions, Peninsular and Oriental Steam Navigation Co. have turned in sharply reduced profits for the first half of 1978, down from £26.9m to £11.2m pre-tax and at the net level, there is a loss of £3.4m against profits of £18.5m in the same period last year.

Earnings per £1 deferred stock are shown to be down from 12.1p to a loss of 2.3p.

The interim dividend is being held at 3p per share, the same as last year's total was 6.54225p on a pre-tax profit of £42.78m.

Gross revenue from outside the group in the six months improved from £468.25m to £524.97m but the operating result was reduced from £41.34m to £18.11m and pre-tax profit is struck after net interest payable up from £14.4m to £18.98m.

A breakdown of profit before interest and tax of £18.11m (£41.34m) shows bulk shipping loss (in £m) 3.4 (1.1) profit; general cargo, 9.0 (21.8); passenger, 2.8 (0.2); European transport and agency services, 2.7 (4.0); energy loss 1.8 (0.5) profit; B&I, 4.2 (1.1); P. and O. property, 2.2 (2.1); U.K. banking, 0.4 (0.5); Australia, 3.2 (4.0) and other overseas, 0.7 (same).

Intensified pressure on overseas shipping activities resulted in the bulk shipping division, the general cargo division and their associated companies showing together a 84 per cent or £18.5m reduction in profit compared with



Lord Inchcape, chairman of P and O, cruise operations and Bovis relieve the pressure in a dismal trading period.

the 1977 first-half, the directors state.

Bovis, the construction division, after adjusting for the exceptional claim of £5.6m received in the first half of last year, and P and O Cruises took advantage of better trading conditions to return improved results while other divisions taken together

produced profits only slightly down on the corresponding 1977 period, they add.

Cruising, the European and Air Transport division and Bovis are expected to benefit from seasonal factors in the second half of this year while property, banking and insurance should also increase contributions, the directors state.

Conditions in the deep-sea trades are showing tentative signs of having stabilised, although at unsatisfactory levels, but without as yet any indication of a sustained upturn, they add.

Conscious of the need for resolute action in the difficult conditions which are foreseen the Board has appointed Lord Inchcape, the present chairman, to be executive chairman and chief executive of the company. This will free Mr. A. B. Marshall, managing director, to supervise and co-ordinate operations.

Six months to 30 June 1978
£m
External revenue 524.97
Operating result 18.11
Associates share 1.29
Marketing 1.83
Interest 1.83
Profit before tax 22.25
UK tax 2.49
Overseas tax 1.78
Associates tax 3.28
Minorities 3.25
Exchange loss 1.81
Attributable loss 4.93
Preference dividend 4.29
From reserves 4.78
Interim dividend 11.20
£1.00 per share of £1.00
£1.00 per share of £1.00

HIGHLIGHTS

Lex discusses the profits slump and management changes at P and O. There are three major composite insurance companies producing interim figures and Lex looks at the varying impact of exceptional storm and fire damage on these figures. Meanwhile Guinness Peat's full year results are expected with attributable profits up from £6.2m to £7.5m. Elsewhere Wagon Finance has come through with good half-year figures but it is sounding warning bells for the second half. Peat's continues to show growth from its engineering and water treatment divisions, while Heyworth Ceramic's latest figures show profits growth of 16 per cent. The full year results from Group Lotus confirm that the company is climbing back after some very difficult years, and Conall has produced a flat first half performance.

DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corresponding	Total	Total last year
Executex	0.51p	Oct. 5	Nil	0.51p	Nil
Morris & Riley	1.75	Dec. 29	1.75	1.75	4.11
Phoenix Assurance	5.11	Jan. 2	4.38	5.11	10.33
Bertram Cos.	3.5	Sept. 29	3.5	3.5	3.5
Newbold & Barton	1.24	Oct. 24	1.24	1.24	1.24
L.K. Industrial	1.45	Jan. 2	1.3	1.45	2.6
Heyworth Ceramic	1.75*	Nov. 17	1.55	1.75	3.3
Guinness Peat	6	Oct. 30	6.45	10.23	9.95
Guinness Peat	4.95	Jan. 6	4.24	4.95	10.17
Wagon Finance	0.63	Nov. 3	0.58	0.63	1.32
Peat	1	Jan. 3	10	20.15	20.15
P. & O.	1	Jan. 3	3	6.54	6.54
Rowton Hotels	2.74	Oct. 30	2.45	2.74	6.28
Sun Alliance	0.63	Oct. 27	0.63	0.63	2.08
Conall	1	Jan. 4	0.57	1	2.03
Travis & Arnold	0.77	Nov. 1	0.69	0.77	3.81
Fairbairn Lawson	3	Oct. 27	1	3	3.63
I. J. Dewhurst	0.3	Nov. 23	0.45*	0.3	7.78
Portals Holdings	3.83	Dec. 29	3.83	3.83	3.83

Guinness Peat goes ahead to over £11m

DESPITE A downturn in associates' earnings from £2.7m to £2.15m, profits before tax of Guinness Peat Group advanced by £2m to £11.07m for the year ended April 30, 1978. Turnover, comprising sales, brokerage and fee income, was higher at £44.73m against £39.92m.

Profits within the group's trading divisions rose by over 40 per cent and disclosed profits in the banking division by 35 per cent to £1.6m. However, earnings from the group's main associates, Linford Holdings and Esperanza Trade and Transport significantly declined in the year.

In January, in their interim report, the directors said that results to date were comfortably ahead of those of the previous year's same period.

They now report that substantial progress was made in all divisions, particularly in Guinness Peat International which is steadily gaining ground and establishing new products throughout the world. The group's chemical division has been strengthened by the acquisition of Willows Francis.

The group continues to trade at an encouraging level and is proceeding with an organic expansion programme of its basic activities. The directors maintain

Sun Alliance slumps £10m at midyear after heavy UK claims

REFLECTING VERY heavy claims in the UK in the early part of the year, accident and marine underwriting at Sun Alliance and London Assurance fell from £2.8m surplus to a £10.5m loss, with a £10.5m loss in the first half of 1978 from £30.4m to £20.7m. There was a total underwriting loss of £8.9m on home business which was more than accounted for by the abnormal weather claims, estimated at £6.5m, and exceptional fire losses. The home account was particularly unprofitable and the home motor account also showed an underwriting loss with an increase in claims frequency. The directors

profitable results were obtained in Australia and the U.S. but these were outweighed by underwriting losses incurred in several European countries. The marine account for 1978, which was closed at the end of this year, is expected to show a modest profit but at this stage no transfer has been made to profit and loss account. An analysis of new life and annuity business shows sums assured £29.5m (£29.4m); annual premiums £29.6m (£14.5m); net profit £1.7m (£2.8m); and single premiums £9m (£2.8m). The net interim dividend is raised to 11p (10p) per £1 share and an additional 0.154p is to

Investments lift GRE by £3m

INCREASED INVESTMENT income from £31.3m to £34.8m enabled Guardian Royal Exchange Assurance to expand taxable profit from the first half of 1977 by £3m to £3.3m despite a higher underwriting loss of £8.1m, against £3.2m last time.

Premiums written for fire accident and marine business moved ahead from £32.2m to £33.1m and in the life business new sums assured reached £1.29bn compared with £1bn. Exchanged movements depressed premium income by £4.6m and investment income by £1.1m.

Long-term profits, excluding the South African results, this time were maintained at £2.6m and interest took £3m (£3.7m). In the UK the second quarter underwriting was profitable after a poor start to the year caused by adverse weather and the fireman's strike. At halfway the loss was down at £2.8m (£2.7m) but in Germany the loss rose to £3.7m (£2.3m) and underwriting results in Holland also continued to be poor. Corrective measures have now been taken but have not had time to be effective, the directors state.

Anti-inflation regulations restrained profits in Canada and there was a lower result in Australia because of very keen competition.

Net premium written in fire, accident, marine and aviation were slightly up at £175.4m (£174.6m). After adjustment for the effect of currency fluctuations and the non-consolidation of a former subsidiary the directors say the premium increase was 7.1 per cent.

Without currency movements the advance in investment income would have been 2.5 per cent instead of the 2.4 per cent reported, they point out.

The figures also hide the progress in general underwriting in the second quarter after the loss reached £2.9m at the end of the first three months. The UK fire and accident business improved on the first quarter but still made a small loss, the directors state.

In Australia pressures on rate levels produced an adverse underwriting result and there was a loss in Europe but elsewhere overseas business was generally profitable they say.

Stated earnings per 25p share were ahead by 0.5p to 16.1p. The net interim dividend is raised to 5.112p (4.578p) and a supplementary interim dividend of 0.069p is to be paid following the change in the rate of ACT. The cost of the dividends is £2.1m (£2.2m).

The total payment for 1977 therefore becomes 10.348p. Profit last year was a record £35.9m.

With tax for the six months taking £8m (£6.7m) and minorities £1.3m (£1.2m), attributable net profit emerged at £8.7m (£5.32p).

New long term business was split as to sums assured £25.5m (£25.77m), annuities £7.2m (£6m), July 12, 1978.

other areas, no material change occurred. Life business continued to develop well and despite changes in the company's South African organisation life profits were maintained. The proposed change in SA are not expected to have any material effect on overall profits in the current year as removal of the 1978 life profit there will be offset by the short term business new directly in that country.

An analysis of life business excluding SA, shows in first six months assured £1,292.5 (£1,000) new annuities per annum £22.5 (£22.5); new annual premium £12.8 (£11.5); and new new premiums £8.5 (£8.3).

The net interim dividend increased to 4.558p (4.239p) or costs £5.0m (£5.8m) and an additional 0.069p is to be paid in respect of 1977 following the rate change. This brings the total to 10.1644p for 1977 when previous was £8.5m.

After tax and minorities amounting to £14.6m (£13m) half time attributable surplus came at £14.7m (£13.3m).

Investment income was split: to Australia £1.7m (£1.3m); Canada £2.4m (£2.7m); Germany £7m (£5.3m) and UK and elsewhere £21.7m (£18.4m).

See Lex

Adverse currency movements hit Phoenix

THOUGH FIRE accident, marine and aviation underwriting recovered from a £100,000 deficit to a £700,000 surplus in the U.S. and remained profitable in Canada, overall the loss on this business at Phoenix Assurance in the first half of 1978 rose from £200,000 to £2.3m. With investment income up from £17.1m to £19.3m and long term underwriting profit held at £0.2m the company's half-year taxable earnings were marginally down at £17m, compared with £17.2m last time.

Net premium written in fire, accident, marine and aviation were slightly up at £175.4m (£174.6m). After adjustment for the effect of currency fluctuations and the non-consolidation of a former subsidiary the directors say the premium increase was 7.1 per cent.

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annual premiums £7.2 (£5.3m) single premiums £10.1m (£11.5m)

See Lex

Cement price rise approved

Following its call for permission to raise the price of cement, Cement Roadstone stated yesterday that the Irish authorities have approved a 5.86 per cent increase effective from September 5, 1978. After refusal of a 7.9 per cent increase applied for in January, the company had recently been seeking 10.9 per cent increase.

The directors, as known, at last week that delay in granting a price increase already meant that results of the group's cement companies would be hit.

Inadequate in the second half Group profits were up 34.5 per cent at £8.9m in the half-year, July 12, 1978.

See Lex

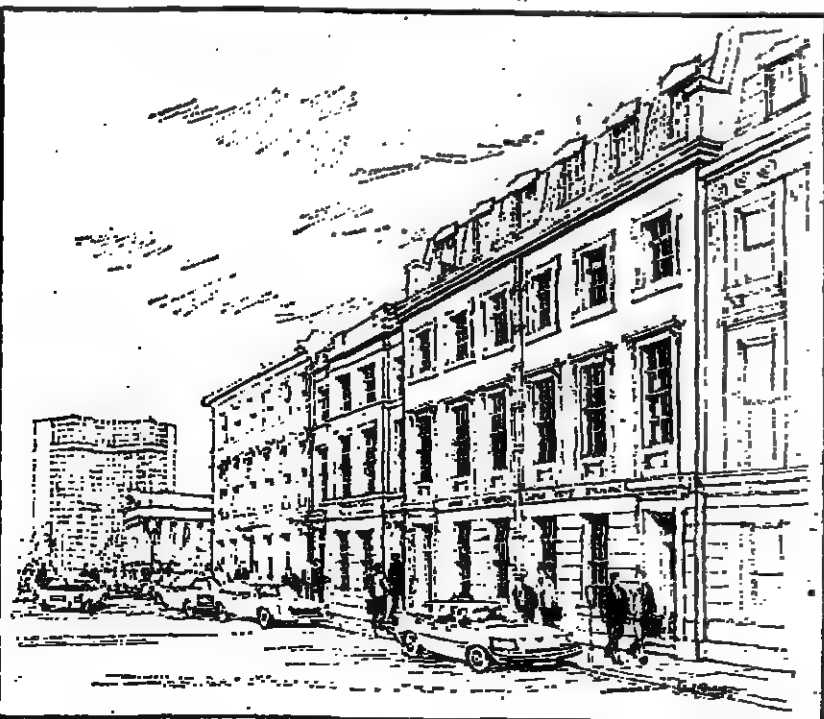
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London Office: P.O. Box 199, 99 Bishopsgate, London EC2P 2LA

The Hongkong Bank Group includes: The British Bank of the Middle East, Mercantile Bank Limited and Wardsley Limited

Executex pays 1p interim

Despite turnover of Executex Clothing falling from £814,041 to £508,977 in the first half of 1978, profit for the period advanced from £32,496 to £53,125. Again there is no tax charge.

The directors say orders on hand are satisfactory and net profit for the second half is expected to exceed that of the first. For the full year profits totalled £200,000.

Earnings per 20p share are stated at 6.18p (5.24p) and retaining the dividend list the interim is 1p (nil) net. The dividend has been waived on 833,734 shares. A maximum permitted final is forecast.

During the period, interim payments of £250,000 in respect of conventional loans have been agreed with the company's lenders, following the fire at the Birmingham factory in 1977.

This factor is steadily being restored to the pre-fire levels of productivity.

Tebbitt development agreement

The directors of Tebbit Group announce that it has reached an agreement with Kewton Estates, a wholly owned subsidiary of Ebury Moreton, for the development of a vacant building site owned by the group at 207-217 Pentonville Road and 6 Eversham Street, Islington, valued at £122,000.

Tebbit will be paid £50,000 cash on completion together with £250,000 on planning permission for office accommodation being granted and in addition will receive 10 per cent of the profit of this development. The two companies will be working closely together to achieve a successful outcome.

Proceeds of this disposal will be used to reduce bank borrowings and to provide additional working capital to the operating companies, say the directors.

This agreement gives the group the opportunity to improve its liquidity and enables it to retain an equity interest in the property, they add.

LONRHO

Lonrho announces that in view of the requirements of the Johannesburg Stock Exchange that the effective record date for dividends should be established as a Friday, it will be necessary to suspend the London and Johannesburg shares between the London and Johannesburg registers with effect from October 4 (the day after the record date for the interim dividend) until October 8, both dates inclusive.



SUN ALLIANCE INSURANCE GROUP

INTERIM STATEMENT

DIVIDEND
The Directors have declared an interim dividend for 1978 of 11.0p per share, costing £3.4m. With the tax credit of 5.418p per share the "gross" equivalent is 16.418p per share. Last year the interim dividend was 10.0p per share, the "gross" equivalent being 15.152p per share.

Shareholders will also receive the deferred element of the final dividend for the year 1977 declared at the Annual General Meeting in May of 1977 of 0.154p per share (0.239p "gross"), to pass on the benefit of the retroactive reduction in the rate of Advance Corporation Tax.

Both dividends will be paid on 8th January 1979 to shareholders registered on 1st December 1978.

ESTIMATED HALF-YEAR RESULTS

	6 months to 30th June 1978	6 months to 30th June 1977	Year 1977
Fire, Accident and Marine Premium Income	268.2	241.7	465.5
Underwriting Result:			
Fire, Accident and Marine	(10.5) loss	2.8	1.7
Long-term Insurance Profits	1.4	1.1	3.7
Investment Income*	29.7	26.4	4.3
Other Income	0.1	0.1	0.2
PROFIT BEFORE TAXATION	20.7	30.4	8.2
Less Taxation	8.0	14.4	25.3
PROFIT AFTER TAXATION	11.7	16.0	31.9
Less Minority Interests	0.1	0.1	0.2
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	11.5	15.9	31.7

* After deducting Loan Stock interest.

UNDERWRITING RESULTS

The half year's figures reflect the very heavy claims experienced in the United Kingdom in the early part of the year to which the Chairman referred at the Annual General Meeting.

There was a total underwriting loss of £6.9m on Home business which is more than accounted for by the abnormal weather claims, estimated at £6.5m, an exceptional fire losses. The Home Personal Account was particularly unprofitable and the Home Motor Account also showed an underwriting loss with an increase in claims frequency.

Profitable results were obtained in Australia and the U.S. but these were outweighed by underwriting losses incurred in several European countries.

The Marine Account for 1978 to be closed at the end of this year is expected to show a modest profit but at this stage no transfer has been made to Profit and Loss Account.

LIFE

New Life and Annuity Business

	6 months to 30th June 1978	6 months to 30th June 1977	Year 1977
Sums Assured	355.0	291.4	610.5
Annuities per Annum	20.6	7.5	26.5
Annual Premiums	8.6	2.5	33.0
Single Premiums	4.9	—	5.4

6th September, 1978.

Senior Sales Executive Business Forms - City of London

circa £9,000 pa

For a successful growth company manufacturing high quality business forms and computer stationery and marketing them to major industrial and commercial organisations throughout the UK. The company's turnover has doubled annually since its inception; plans for the next stage of its development have been set and this has contributed to the need for a senior executive to pioneer sales within the City.

This is a new appointment. It calls for an intimate knowledge of City business houses, the ability to conduct negotiations at a senior level and the self-sufficiency to develop a new sales territory single-handed. A high guaranteed salary coupled with commission will result in earnings of up to £9,000, and more for outstanding performance. Expenses are paid and a company car provided.

Please write in the first instance to F J F Hall quoting reference CS/878. All replies will be forwarded direct to our client. Last separately the names of any companies to whom you do not wish your application to be forwarded.

Thomson McIntock Associates
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INSTITUTIONAL SALES EXECUTIVE SPENCER THORNTON & CO.

We are currently expanding our U.K. institutional sales team and have a vacancy for an experienced executive. We offer specialist research in the Electrical and Engineering sectors and a knowledge of basic analytical skills would be of advantage to the applicant.

Attractive terms of employment are envisaged and applicants should write to Mr. C. C. Line, Spenthorn House, 22 Cousin Lane, London, E.C.4 or telephone 01-628 4411.

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£4,000.00+

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L.J.C. BANKING APPOINTMENTS
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Independent Consultant running successful search and selection business based on middle range city and general commercial jobs for blue chip organisations seeks partner, age range 35-45. Ideally with a similar business, he or she will be a major consultancy or be recruitment expert of a major commercial organisation. Earnings by profit split probably in the region of £15,000 per annum plus.

Write Box A.6465, Financial Times, 10, Cannon Street, EC4A 3DF.

INVESTMENT ANALYST

22-28, Graduate with 1-3 yrs. investment research exp. for coverage of the banking sector with a knowledge of the City and its institutions. Salary £15,000-25,000.

FINANCIAL MANAGER

22-30 with at least 2 yrs. investment exp. and knowledge of the City and its institutions. Salary £15,000-25,000.

BUSINESS ANALYST

21-27, Graduate with business background and knowledge of the City and its institutions. Salary £15,000-25,000.

CONSULTANT

24-30: Opportunity for experienced recruitment consultant with good knowledge of the City and its institutions. Salary £15,000-25,000.

ACCOUNTANT - BERMUDA

Ref. No: 37552
Major Insurance Group requires a qualified Chartered Accountant for their Bermuda office. Excellent conditions of service. Age group approximately 27-35 years. Salary £18,000 p.a.

Please telephone in confidence:

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of vacancies (Please send to) Commercial & Financial Services Ltd. 125 Finsbury Avenue, London EC2A 1BN. Tel: 01-638 3833

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LEEDS STOCKBROKERS

require Head of Accounts/Office Manager with sound knowledge of Company Accounting. Salary by negotiation. Write with c.v. to: Senior Partner, BROADBRIDGE LAWSON & CO., 16, Park Place, Leeds LS1 2SJ.

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THE ELLERMAN GROUP GROUP TAXATION MANAGER

THE GROUP

The Ellerman Group, which is based in the City, has major interests in Shipping, Travel and Leisure, Brewing and Insurance.

THE JOB

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THE PERSON

Suitable candidates are likely to:-

- be between 26 and 35
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- have experience of taxation planning and compliance work at corporate level in a large and diverse commercial organisation; or at senior level in a merchant bank or professional organisation.
- have had continuing relationships with the Inland Revenue on tax compliance.

We feel that this is a good opportunity for a younger taxation specialist to establish himself in a corporate role as part of a highly professional financial team.

The position is unlikely to be of interest to people currently earning less than £9,500 and carries a company car and a wide range of modern benefits.

Candidates should apply, including a personal and career résumé, to D. R. W. Young, Group Head of Personnel, Ellerman Lines Limited, 12-20 Canonic Street, London EC4A 7EX.

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Middlesex

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The Financial Director will be responsible for all aspects of accounting and financial management. In addition he/she will be expected to make a significant contribution to the general management and profitable development of the company's activities in the U.K. and overseas.

Candidates must be qualified accountants, preferably aged 35 to 45, with a proven record of success in financial management. This must have included an extensive period in manufacturing industry with companies that operate on a contract basis and use advanced cost control systems. Previous experience of Government contract accounting, whilst not essential, would be an advantage. They must also be capable of exercising sound business judgement and have the personal skills to integrate effectively into a strong and successful management team.

Candidates should either submit a detailed C.V. or write to Ronald Vaughan A.C.M.A. quoting reference 2222 requesting a personal history form. Applicant's identities will not be disclosed without their permission.

Douglas Loomes Associates Ltd.

Accountancy & Management Consultants

410 Strand, London WC2R 0NE. Tel: 01-436 9501

281, St. Vincent Street, Glasgow G2 8TW. Tel: 041-226 2101

25, Leeson Place, Dublin D02 7AA. Tel: 01-452 7744



EXECUTIVE ASSISTANT TO GROUP MANAGING DIRECTOR

NORTH WEST

c. £10,000+car

The Liverpool Daily Post and Echo Limited is an independent group of companies with an annual turnover in excess of £50 million. The group interests include retailing, papermaking, packaging and information systems as well as the more traditional activity of newspaper publishing in the U.K. and in North America.

Following internal promotion, there is a need for an experienced accountant with general management aspirations to co-ordinate the total business activities of the weekly newspaper, commercial printing and information system companies within the group. Reporting directly to the Group Managing Director, the successful candidate will work closely with the individual Managing Directors of six separate profit centres based in the North-West, London and Pittsburgh, U.S.A. He will cover day-to-day management problems, financial planning and control systems, new business development and corporate strategy.

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Please apply in writing with full career and personal details to:-

Personnel and Training Manager,
Liverpool Daily Post & Echo Limited,
P.O. Box 48, Old Hall Street,
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Financial Analyst Retailing

£7,000-£8,000 range

This appointment, which is aimed at candidates in the 25-30 age bracket, arises in the Financial Controller's Department of an international retailing organisation and will be based at the Head Office in Central London. The company holds a leading position in high street trading and is currently undergoing an extremely interesting phase of reorganisation and image development.

Applications in confidence quoting ref: 6265 to E. C. Smith, Mervyn Hughes Group, 2/3 Cursitor Street, London EC4A 1NE. Tel: 01-404 5601 (24 hours).

Mervyn Hughes Group

Management Recruitment Consultants

FINANCE APPOINTMENTS

We currently have well in excess of one hundred vacancies located throughout the UK with major finance companies who are seeking finance house trained personnel (either sex) with business development experience in consumer and/or industrial finance. The most urgent vacancies are listed below and in addition to salary, offer an attractive range of fringe benefits.

BRANCH MANAGERS to £7,500+
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Please telephone for an application form to Sally Tolls or write with full career details to: Leslie M. Spence, Managing Director. All replies will be treated in the strictest confidence.



Jonathan Wren City Ltd.

Financial Personnel Consultants

60 Cheapside, London EC4V 6AX. Tel: 01-236 4441/2/3.

Senior Lending & Business Development Officer

Central Paris

This senior opportunity is at the Paris Branch of a major multi-national U.S. Bank.

The successful candidate will be a senior lending officer in the Branch, reporting directly to the Branch Manager.

Candidates, male or female, must be French citizens, fluent in both French and English, with 5 to 7 years' international commercial bank lending experience, some of which would ideally have been gained in France. A comprehensive knowledge of French market practice is essential and experience of French Export financing could be beneficial.

Salary is competitive, appropriate to the seniority of the position, and there is a generous benefits package.

Please send a comprehensive C.V., including any companies with whom this should not be discussed, or telephone (01-629 1844 at any time) for a Personal History Form. D. M. Watkins ref. B.1018.

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MSL

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Insurance

Up to £15,000

Our client is a large US Insurance group with world wide interests. Expansion necessitates the appointment of a Resident Auditor - Europe to conduct financial and operational audits of the company's UK & continental offices and subsidiaries.

The post will report to the Assistant General Auditor responsible for the property casualty section. The duties will include development and maintenance of audit programmes; ensuring compliance with company policy and procedures; appraisal of internal controls; and recommending improvements for revenue increasing and cost reduction plans.

Candidates will be chartered accountants or equivalent, probably with a degree in business studies or economics, and have had up to 5 years post qualification auditing experience with financially orientated companies. The post requires a high level of analytical and critical skill coupled with an ability to operate at all management levels. Fluency in a European language in addition to English is highly desirable.

Location is flexible, and the remuneration package will be arranged according to individual circumstances.

Please reply in confidence giving concise personal and career details, quoting Ref. T888/FT to J. D. Atcherley,

AMS

Arthur Young Management Services
Rolls House, 7, Rolls Buildings
Fetter Lane, London EC4A 1NL

Commercial Accountant

West Midlands

circa £6,500 pa.

Our client, an autonomous group within a major UK international organisation, has a vacancy for a Commercial Accountant to be based at its Head Office.

The successful applicant will be responsible to the Chief Accountant for export documentation, sales ledger, credit control both home and export, data entry, wages and insurance. He or she will additionally be required to carry out ad hoc financial exercises.

Applications are invited from qualified Accountants who are, ideally, in their early 30's. Preference will be given to candidates who have previous relevant experience in a manufacturing company. The company can offer excellent career opportunities and an attractive remuneration package.

Applicants, together with full CV, salary progression and career objectives, should be forwarded to Position Number 25C 6661, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

Company Secretary - London

The fast developing UK subsidiary of the major French chemical company, Rhone-Poulenc at present employing about 70 people in their London office, is looking for a Company Secretary.

Reporting to the Managing Director, you will, in addition to legal and administrative matters, have overall responsibility for the accounts, shipping and personnel departments. You will also be responsible for preparing board meetings and for liaison with the central administration of the group in France for legal and financial affairs.

Applicants should be aged 40-50 and have gained broad commercial experience, including a basic knowledge of computer techniques and an understanding of accounts procedures. The Company places the greatest importance on applicant's ability to communicate effectively at all levels. A working knowledge of French is also required.

An excellent salary and range of benefits are offered, including a non-contributory pension scheme, reflecting the importance of this key appointment to the organisation.

PER
Professional & Executive
Recruitment

Please contact Sally Phipps on
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Applications from both men and women are welcome.

FINANCIAL CONTROLLER

Financial Controller required by a Group of Private Companies in Essex engaged in the wholesale and retail meat trade.

The new post involves the preparation of monthly management accounts and annual accounts together with the supervision of all accounting and related administrative functions. The commencing salary envelope is circa £6,500 p.a. A company car will be provided and there will be participation in the Company Pension Scheme after a probationary period.

Please write with full personal details and C.V. to C.H.C. Recruitment, 33 Market Place, Romford, Essex RM1 3AB, reference P.M.

ACCOUNTANT

WITH EXPERIENCE IN
EUROBOND MARKET

Eurobond Brokers require accountant with experience in Euro-Bond Market for newly established U.K. brokers. Must have extensive experience of U.K. Exchange Control Regulations. Salary by arrangement.

Apply Box A.6464, Financial Times, 10, Cannon Street, EC4A 4BY.

Caravans protect Cosalt's progress

Rotork steady at £1.4m in first half

PROFITS of Rotork for the first half of 1978 show a modest increase from £1.4m to £1.45m and were only achieved by the directors say, through a determined effort to substantially increase turnover up from £7.0m to £8.9m.

Earnings per share are shown at 7.5p against 7.4p and the interim dividend is effectively raised from 0.25p to 0.255p—last year's total was equal to 1.15p. Net profits for the first half amounted to £8.7m compared with £8.6m.

Creditable results have again been achieved by the controls and other engineering divisions and these are expected to continue throughout the year, although margins will remain under pressure. With a large part of the business in North America, sharp movements in the dollar can have an appreciable effect on the figures, the directors say.

The marine division had an unsatisfactory start to the year but has fallen well below expectations. However, corrective action has now been taken and the division's results will begin to show an improving trend in the second half.

Midway rise for I. J. Dewhurst

IN LINE with projections made at the last annual meeting, sales of I. J. Dewhurst Holdings, the clothing group, rose by almost 20 per cent to £7.0m and pre-tax profits by just under 20 per cent from £203,000 to £294,000 for the half-year to July 16, 1978.

At the June AGM the directors said that the group was on course for its half-year sales target of £7m and profits were expected to be in excess of £275,000.

They now report that demand for the group's products is generally good and it has a full production programme for the remainder of the current year.

For the whole of the 1977-78 year, taxable profits were increased from £214,000 to a peak £310,000. After allowing for £170,000 (£145,000) for the period advanced from £150,000 to £328,000, representing earnings per 10p share of 1.25p (adjusted 1.25p).

The interim dividend is effectively lifted from 0.45p to 0.5p per share, net of £100,000, and the directors intend to recommend a final of 1.25p—last year's payment totalled 1.25p, adjusted for a one-for-three scrip issue.

Rowton Hotels up at midway

REPORTING TAXABLE profits ahead from £261,000 to £433,000 for the first half of 1978, the directors of Rowton Hotels say that the group's performance is better than expected.

Indications are that the second half result from hotels and holiday homes could at least equal that of last year's same period.

For the whole of 1977, overall group profit was a peak £145,580.

Travis & Arnold ahead 9% to £2.18m so far

DESPITE A slow start due to poor weather conditions, pre-tax profits of Travis & Arnold, builders, merchants and timber importers, advanced by 9 per cent from £1,930,000 to £2,180,000 for the first half of 1978, on higher sales of £30.4m against £23.8m.

Building activity has increased over the period and indications are that the higher level should be maintained for the rest of the year, says Mr. E. R. Travis, the chairman.

After tax of £1.18m (£0.96m) net profits were little changed at £1,044,000 against £1,053,000.

The interim dividend is stepped up from 0.85p to 0.72p per 25p share—last year's total was 3.81p paid on a pre-tax profit of £2,770,000.

Interim dividend payments, £31,000 (£25,000) and after preference dividends, retained profits at the half year emerged as £278,000 (£278,000).

The first half figures do not include interest on government securities acquired in August of the two companies in the building supplies division of Ellis and Everard—Ellis and Everard (Building Supplies) and Welland Fuchs.

At April 30, 1978, the audited book value of the net assets of the building supplies division (£BSD) before deduction of inter-company indebtedness of £2.5m, amounted to £3.5m. Since that

BIDS AND DEALS

Australia blocks Brooke Bond's plans for major tea takeover

BY ANDREW TAYLOR

THE AUSTRALIAN government has blocked Brooke Bond's £20m bid for Bushells Investments, Australia's largest tea company, just three months after announcing a relaxation of the rules governing the foreign investment in the country.

Mr. John Howard, Australian Treasurer, said that the acquisition "would be contrary to the national interest." The bid has been rejected under the 1975 Foreign Takeovers Act.

Mr. Harry Scrimgeour, Brooke Bond finance director, said last night that he was surprised and disappointed by the decision and described it as a significant blow to the group's plans for Australia.

He said: "We had expected that any approval would be qualified but did not expect a flat rejection. At this stage we have received no information as to why the bid has been blocked."

In June Mr. Howard announced changes in the guidelines on foreign investment, including a more flexible approach to local ownership.

This permitted overseas owned companies to proceed with new investment provided there was a commitment to eventual 50 per cent Australian ownership and that there was already 20 per cent local ownership.

Brooke Bond holds a 20 per cent interest in Bushells, a tea operating subsidiary but has only a 1.1 per cent stake in the parent group. It had already agreed to acquire a further 32 per cent stake in the company from the Bushells and Oakley family holdings.

Mr. Scrimgeour said that under Sydney Stock Exchange rules the foreign group was required to bid for all the remaining shares but had indicated to the Australian Foreign Investment Review Board that it would be prepared to negotiate the possibility of a future Australian stake in the company.

"We had not expected unqualified approval but had thought we

would have at least something to consider. As at this moment it looks as though we have nothing," said Mr. Scrimgeour.

Last year the group spent almost £300,000 in Australia—to buy out minority stakes in Sealink, the food importers and distributors, and the tiny Brooke Bond Monbulk meat business. It had planned to put both Bushells and Sealink under the umbrella of a single Australian subsidiary.

Bushells controls around 45 per cent of the Australian tea market and 20 per cent of the coffee market. This may have raised monopoly considerations, although Sealink has no other tea or coffee interests in Australia.

At the time of the bid Brooke Bond said that it wanted to increase its presence in Australia in order to reduce its dependence on Africa and Asia for overseas earnings.

DISSIDENT HOLDERS IN OLIVER RIX TO SEE ADVISERS

DISSIDENT shareholders of Oliver Rix, the BL car dealer which is proposing to merge with Manchester Garages, are meeting with their financial advisers in Newport on Friday to determine what course of action they should take over the deal.

The group of shareholders, headed by Mr. Harry Wakeley, believe that the terms of the merger favour Manchester Garages to the disadvantage of Rix and that Rix has a better future as an independent company.

They claim support for their opposition to the merger from more than 10 per cent of the shareholders.

Rix's shares are very widely held among several thousand small investors. The only significant stake is the 11.5 per cent owned by Columbus Trust through Assets Nominees. Columbus is an investment manager and the share stake is mortgaged to Lombard North Central. Both Lombard and Columbus's receiver have said that they intend to procure acceptance from the ultimate owner of the stake for the offer.

JOHN JAMES GROUP PURCHASE

John James Group of Companies' wholly-owned subsidiary John James Industrial Holdings has bought W. H. Boddington and Co., a company based in Kent for £280,480 cash. The value of the assets acquired is marginally lower than the purchase price.

Boddington was incorporated in 1951 and carries on business as a manufacturer of specialised plastic products from its factory premises in Hornsdown. Its profit before tax for the year ended July 31, 1977, was £219,123 and for the ten months period ended May 31, 1978, was £170,358.

Carrington's £10m for Compton

BY ARNOLD KRANSORFF

Carrington Vellie, one of Britain's largest textile groups, has emerged as the new bidder for J. Compton Sons and Webb (Holdings), uniform maker, whose shares were suspended last week at 43p.

The terms are four Carrington shares plus 30p cash for every three Compton shares. The offer, which is being considered by Carrington, represents an exit price of 11.5, which compares with just over seven for the textile sector.

ASSOCIATES DEAL

B. S. Savory Millin and Company bought 5,000 Weston Evans ordinary shares at 134p, on behalf of Johnson and Firth Brown.

SHARE STAKES

Staint Piran is interested in 78,000 Tadhiri Minerals ordinary shares.

Amalgamated Distilled Products: Mr. D. D. McNeil, director sold 33,000 shares at 34p on August 2.

Beal and May: Tyron Securities is now interested in 437,500 shares (10.4 per cent).

Canings: Britisher Assurance Company has bought a further 45,000 shares making total 624,500 shares (9.35 per cent).

Jeve Investment Trust: London Trust Company has sold 230,000 capital shares reducing holdings to 13,300 shares (3.5 per cent).

Herman Smith—Donagel Securities, of which Mr. Herman Smith and Mr. R. Herman Smith (directors of Herman Smith) are both directors, has bought 15,000 shares at 10p.

Gleaves Group—Mr. B. I. R. Scruby, director, has acquired 18,000 shares.

Atkinson Investment Trust: Shield Trust holds 2,001,625 shares.

Ledlie and Godwin (Holdings): Mr. R. W. Baker, director, and his

MINING NEWS

CRA getting diamonds in Ashton tests

BY KENNETH MARSTON, MINING EDITOR

THE LATEST news from the significant concentrations of diamonds being recovered from the Kimberley region of Western Australia, announced by the Commonwealth of Australia, is that the first testing of samples by the new processing plant has resulted in the recovery of about 173 carats (there are 142 carats in the ounce) of diamonds, the largest of which weighs approximately 2.5 carats.

This result came from one month's operation of the plant which handled some 1,018 tonnes of material from four surface trenches. By South African standards, this is a low diamond content, or grade, but in diamonds it is quality that counts and the quality of the stones is not known.

The first phase of the current programme involves taking samples of approximately 100 tonnes from the surface of each trench to see the prevalence of 26 kimberlite pipes with a total surface area of about 200 hectares. In the previous report, of July 12, CRA had mined 22 pipes, with a total area of 240 hectares. Work is now being concentrated on seeking out which, if any, of the pipes contain potentially economic concentrations of diamonds.

CRA emphasises that the current phase of testing can only serve as a basis for larger scale bulk testing in the event of only one, or industrial

quality, and worth only a few dollars per carat. But if it were of gem quality its value could easily be 1,000 times greater. Meanwhile, Australia's Audium reports that it has found more diamonds at its Copeton prospect in New South Wales. Results from testing at the fourth exploratory shaft have established a far thicker band of mineralised sediments than was previously encountered. If typical, these would justify commercial exploitation, it is stated.

So far, testing of material from the bottom 1.22 cubic metres in the shaft has yielded seven small diamonds weighing 3.33 carats, while a further nine stones weighing 2.45 carats have been recovered from four cubic metres of material. The stones examined from higher up the shaft, a fifth shallow shaft is to be sunk, but bulk sampling on a larger scale will be necessary before any commercial viability.

In a lively share market yesterday, CRA jumped 18p to 3.55p while the London parent Rio Tinto rose 8p to 240p. Audium were nominally 70p after overnight strength in Australia. Among the other diamond hopefuls, Northern Mining put on 10p to 140p, Tanganyika Concessions gained 10p to 157p and rises of 5p were seen in Bamboo Creek (23p), Jones Mining (45p), Otter Creek (23p) and North West Mining (50p).

Fraser may meet Aboriginals for Ranger talks

MR. MALCOLM FRASER, the Australian Prime Minister, is seeking talks in Darwin tomorrow with Mr. Gurnurru, Yungupin, a key Aboriginal leader who is chairman of the Northern Land Council, in a bid to prevent delays to the development of the Ranger uranium deposit.

A recently signed draft agreement between the Government and the Aboriginals is in jeopardy following a warning from Mr. Yungupin to Mr. Fraser that the agreement might not be signed, unless the Government agreed to meet the Aboriginals on the condition—under which Ranger may be developed by the joint venture with the Government.

Yesterday, Mr. Douglas Anthony, the Deputy Prime Minister, expressed the Government's concern about the recent run of events by saying that a decision by the Aboriginals not to sign would set back Ranger's development by about a year.

He criticised particularly a Government decision last week to allow Pancontinental Mining to extend the Arnhem Highway to its Jabulu deposit, despite opposition from Aboriginals in the area.

Mr. Fraser apparently hopes to reassure Mr. Yungupin that approval for the road extension does not mean that the Government has already decided to give Pancontinental a go-ahead for mining.

"If Pancontinental builds the road they will be building it at their own risk. The Government at this stage has not even considered the likelihood of Pancontinental proceeding with this mining development," Mr. Anthony said.

"I believe that once the matter is explained to them (the Northern Land Council) they will proceed with the signing of the agreement," he added.

Mr. Fraser has sent a telegram to Mr. Yungupin suggesting a meeting in Darwin in the near future for the first session of the Northern Territory's Legislative Assembly since the grant of self-government.

Meanwhile, Pancontinental has reported a net loss for the year to June of A\$458,800 (£271,630) compared with a loss of A\$368,400 in the previous year.

In London yesterday, Pancontinental shares were 214. Those of Peko-Wallend were 37p, while those of EZ Industries were 28p.

GOVERNMENT LOAN FOR METALS EX.

Metals Exploration of Melbourne has accepted a A\$1m (£291,000) Western Australian Government development loan for a four-year exploration programme, reports the south of Colongolue.

The loan is to ensure continuity of employment for the workforce, and to enable the company to keep the mine in a productive state so that it can capitalise on a future uplift in the world nickel market.

Mr. Andrew Menzies, the Mines Minister, yesterday said the loan would allow the company to go ahead with mine development in the next four years, and provide enough pre-developed ore for a further period beyond.

Metals Exploration will repay the loan over four years, starting from the end of the development programme.

ROUND-UP

The strike by mill workers at Tara Mines' lead and zinc operation in Navan, Ireland, has ended. The Navan has lifted the force majeure on shipments which has lasted since the strike started at the end of July. The company

NEWBOLD & BURTON HOLDINGS LIMITED

Manufacturers of Ladies' Footwear

INTERIM RESULTS	6 months to 30th June 1978	30th June 1977	Year to 31st Dec. 1977
Sales	4,478,000	3,995,000	8,578,000
Net Profit before Tax	219,000	159,000	468,000
Net Profit after Tax	210,500	176,000	426,000
Net Dividend — pence per Share	1.337688	1.1879	2.7961
Amount absorbed by Dividend	240,000	236,000	284,000

The Interim Dividend will be paid on 24th October, 1978 to all Ordinary Shareholders on the books of the Company on 29th September 1978.

Salient points from the Statement by Mr. V. F. Burton (Chairman):

- The profit for the first 6 months of 1978 was an improvement of 38% on turnover up 25%.
- Excellent order books and higher levels of production make us very confident for the second half of 1978.

Jones Stroud sees further growth

The directors of Jones Stroud (Holdings) are confident that the efforts which have been made throughout the group will soon make good last year's second half profit deficiency, says Mr. Philip Jones, the chairman, in his annual statement, and he expects that current year profits will comfortably exceed those of 1977-78.

As reported on July 18, pre-tax profits rose from £2.13m to lower than expected £2.41m for the year to March 31, 1978, after a

second half result little changed at £1.24m against £1.22m. On a CCA basis, profit is reduced to £2.11m by adjustments of £500,000 on depreciation, £220,000 on cost of sales, offset by £100,000 on other items, leaving a net profit of £2.41m.

A rise in turnover from £21.03m to £25.33m for the year resulted in a decline in profit margins, the most significant reason for which was the cost of continuing endeavours to develop and rationalise both the group and its constituent members.

Mr. Jones explains that this process in both expensive and time consuming, but the directors are hopeful that the current year will see the end of the major projects which the group has been undertaking over the past two or three years.

"A lot of the expense has now been borne and future trading should benefit from the actions which have been taken," he says.

After last year's advance, the companies in the textile division maintained their contribution to the group at the higher level despite continuing losses in overseas subsidiaries. Certain disposals were made during the year and the chairman states that further developments are both in progress and being planned.

The group's electrical companies did not make the progress for which the directors hoped—market conditions did not improve and, despite considerable efforts to increase sales and manufacture more economically, they were unable to improve on last year's performance.

During the latter half of the year, Anglo-American Vulcanized Fibre moved from one of its existing leasehold premises in London to a freehold site at Poplar in order to gain greater scope for expansion, but this adversely affected profitability, Mr. Jones points out.

A further temporary adverse factor in the electrical division was the commissioning cost of a new tube mill at Beas, Group, which although now in production will continue to make losses at a reducing rate for some months to come, he says.

Portals Holdings Limited

1977 The Queen's Award for Export Achievement Banknote and Security Paper, Water Treatment and Engineering, Property

RESULTS FOR THE HALF YEAR TO 30TH JUNE 1978

	Six months to 30 June 1978	Six months to 30 June 1977
Group Turnover	37,665	36,183
Group Profit before Taxation	4,111	3,510
Profit attributable to Ordinary Shareholders	1,906	1,725
Basic Earnings per Ordinary Stock Unit	11.22p	10.16p

THE HALF YEAR

The make up of the profit in the first half of 1978 reflects the pattern foreseen for the year as a whole — little change in profits from papermaking but significant increases in water treatment and engineering.

For a copy of the full interim statement apply to:
The Secretary, Portals Holdings Limited, Laverstock Mill, Whitechurch, Hants RG26 7NR.
Telephone: 0256 62 2850.



Report of The Wellman Engineering Corporation Limited for the year ended 31st March 1978

Salient points from the circulated Statement of the Chairman Mr. Alan C. N. Hopkins, M.A., LL.B.

- Profit before tax up 10%
- Percentage of pre-tax profit on Shareholders' funds 27%
- Order Book 30% higher than at corresponding time last year
- Business of British Furnaces acquired

Facts and Figures	1978	1977
Profit before taxation	1,553,112	1,408,997
Profit after taxation	753,493	646,544
Assets Employed	6,881,227	6,025,926
Asset Value per Share	61.1p	53.5p
Earnings after tax 25p share	6.89p	5.74p
Dividend	2.396p	2.145p

WELLMAN

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Ursini freed as inquiries continue

By Our Own Correspondent

ROME, Sept. 6. THE financier Mr. Raffaele Ursini, who controls the financially troubled Liquichimica chemicals group, has been granted provisional liberty after eight weeks in prison pending the further investigation of charges against him of financial irregularities.

Mr. Ursini, along with three other senior managers from the group who have also been provisionally released, had been accused of irregularities in the way Liquichimica obtained state grants to finance the construction of a petrochemical plant in southern Italy. Their arrest in early July came only shortly after Mr. Ursini's resignation as managing director of Liquichimica's parent company, Liquigas, in which he is the main shareholder.

The plant in question, at Saline in Calabria, is one of four petrochemical plants covered by a financial rescue plan put forward a month ago by a group of creditor banks. The rescue project, which would have involved an immediate credit line to Liquichimica of L500m (940m), has been out of its financial difficulties as well as its financial problems because of subsequent misgivings by some of the banks.

The Banco di Napoli, in particular, is understood to be pushing for the extension of the rescue plan to other companies in the Liquigas group which also owe it money. Negotiations are in progress between banks over the rescue project, but meanwhile the plan is in abeyance.

Sperry Univac withdrawal

By Our Own Correspondent

NEW YORK, Sept. 6. SPERRY UNIVAC announced today that it will stop producing electronic supermarket checkout equipment owing to resistance in the retailing business and poor profitability.

It has been producing the equipment for five years using technology which it bought from RCA for \$5m. The equipment scans special labels on goods which indicate price and inventory number, enabling the retailer to ring up a sale and keep track of stocks simultaneously.

Weekly net asset value
on September 4th, 1978

Tokyo Pacific Holdings N.V.
U.S. \$72.41

Tokyo Pacific Holdings (Seaboard) N.V.
U.S. \$52.54

Listed on the Amsterdam Stock Exchange

Incorporated in the Netherlands

Spanish banks in merger deal

By DAVID GARDNER

MADRID, Sept. 6

HAVING slipped to second place at the end of last year, Banco Espanol de Credito (Banesto) has finally regained its position as Spain's largest concentration of banking interests.

This week Banesto formally completed the acquisition of Banco Coca. The deal provides the bank with a deposit base of more than Ptas 6,000m (39bn), increases the number of branches to 18,000 and expands the workforce to more than 22,000. It puts Banesto unquestionably ahead of its main rival, Banco Central.

Moves to fuse Banco Coca with Banesto began last December, on the day that the Banco Central finalised its merger with Iberia. And rivalry among the larger banks, the move, formed part of a process of consolidation in the Spanish banking system, which began in the wake of the failure of a number of smaller banks, prominent among which was the Banco de Navarra.

The Banesto-Coca fusion was given the blessing of the Bank of Spain and Ministry of Finance, and appeared to be settled when the shareholders of both banks approved the terms of the deal on April 28.

One month later, however, allegations of irregularities in the Coca accounts began to filter to the surface.

The authorities made charges in connection with exchange control regulations, and the Fraud Squad began to investigate property deals in the south of Spain, in which Coca had allegedly been involved. Coca's lawyers have yet to receive official notification of this, but will contest both the conclusion and the procedures used to arrive at it.

As the alleged irregularities surfaced, many observers suspected that an attempt was being made to embarrass Banesto politically. While Coca was owned by one of the best known banking families to have prospered under the Franco regime, Banesto itself has been closely associated with leading members of the former regime.

This doubt has lingered even among those bankers who regard Banesto as a service to clean up the system, and to penalise currency smuggling and tax evasion, as Banesto itself, in finalising the merger, seems to have decided that any damage that can be done to its image has already been done. For their part senior banking authorities have greeted the fusion with quiet relief.

Banesto has issued a statement guaranteeing to its new clients a service as efficient as they had always been accustomed to.

Joint venture for Cockerill

PARIS, Sept. 6

VALLOUREC of France and Cockerill of Belgium are to merge their small-diameter welded steel pipe production, subject to approval by the European Community and national governments.

Under a recently signed protocol, the two companies will group their French production, involving eight plants, into a new unit in which Vallourec will have a 65.9 per cent interest and Cockerill 34.1 per cent.

At a later stage, a new company will take over the Belgian activities of the two companies. The two new units will continue to purchase steel from members of the European Coal and Steel Community (ECSC) in order to contribute to the recovery of the sector.

French chemical industry ahead

PARIS, Sept. 6

THE FRENCH chemical industry recorded a trade surplus of FF 3,230m (474.5m) during the first half of this year, compared with a surplus of FF 4,700m for the whole of 1977, according to the Industry Federation.

French exports during the period increased 12.5 per cent to FF 18,585m, while imports rose 11.2 per cent. With members of the European Community, however, the industry recorded a deficit of FF 1,520m, with exports totalling FF 9,600m and imports FF 11,120m.

Not surprisingly during the second quarter of this year amounted to FF 127.7m, up from FF 436.8m during the first quarter and FF 427.4m in the same 1977 period.

Net assets of the 96 French AP-Us

Reduced loss from Dutch engineer

By Our Financial Staff

A MODESTLY reduced loss for the first half of 1978 is reported by Verengde Machinefabrieken Stork (VMF Stork), the largest mechanical engineering group in Holland.

Operating losses for the six months are Fls 24.9m which compares with Fls 27.5m for the opening half of 1977. In the two years to 1977 the company accumulated losses of more than Fls 73m at the net, after tax level.

As part of restructuring of its shipbuilding and heavy engineering operations, VMF is to receive some Fls 235m in state aid.

The half-year deficit includes half of the losses of Stork Werkspoor Diesel BV, in which the Dutch government is taking a 50 per cent stake retroactive to January.

The company said it expects the full 1978 operating loss to be lower than last year's Fls 33.5m. It also points out that provisions for reorganisation costs will be considerably less than last year's Fls 79.5m.

Treasury note offering

BONN, Sept. 6

WEST GERMAN Finance Ministry will make an offering of six and seven year treasury notes (Bundesschatzbriefe) on September 12. The terms of the issues will be as follows:

The new notes offer a yield at maturity of 5.44 per cent on the six-year issue compared with 5.50 per cent on the current issue. The seven-year issue yields 5.71 per cent at maturity against the current issues maturity of 5.21 per cent.

Agencies

Dutch to reorganise paper industry

By CHARLES BATCHELOR

HOLLAND is to start a radical restructuring of its troubled paper and board industry. Corrugated board production capacity will be reduced, three factories belonging to small independent producers will be shut down and about 550 jobs will be lost as part of a set of measures being implemented.

A government commission has been appointed to prepare and carry out the measures. Economic Minister Mr. Gys Van Aardonne said in a note to parliament. Industry solid board capacity will be cut by 100,000 tonnes to 360,000 and paper/corrugated board capacity will be reduced by 60,000 tonnes to 380,000.

Sixteen of the 31 solid board machines now operating within the Dutch paper trade will be closed down, as will six of the 15 paper/corrugated board machines. Of the three factories facing closure, two, De Vrijheid and De Huis in Stadsmaer, will be closed this year and the De Huis factory in Hoogkerk is expected to be shut down in 1979.

These closures will lead to the loss of 550 jobs in the north-eastern province of Groningen. To soften the impact in an area already suffering from high unemployment, the restructurings will be spread over the next two years and many of the reductions will be achieved by natural wastage. Efforts will also be made to create alternative work in the area.

Holland's three major paper manufacturers — Van Gelder, KNP and Bachmann-Tetterode (BT)—have faced several difficult years. Sharply rising imported pulp prices, over capacity and sluggish demand have led the companies to carry out their own internal reorganisation.

Net profit rose 5 per cent in the six months to Fls 118.3m (88.5m) whose turnover was recently reported more than doubled net profits of Fl 3.7m (81.7m) in the first half of 1978. But it continues to face severe losses from its 51 per cent owned KNP subsidiary. Van Gelder returned to profit in the first half of this year for the first time since 1974. But it too is carrying out a far-ranging restructuring and remains reserved about prospects.

More broadly based than much of the competition, BT—whose interim results were unveiled today—has had an easier run. Having maintained profit and turnover growth in the first half of 1978 it expects a reasonable increase in net profit for the year as a whole on higher sales.

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Earnings dip at Interfood

By JOHN WICKS

REPORTING a dip to SwFr 1.92m from SwFr 2.77m, Interfood's 1978 earnings are also higher by 19 per cent, but the accelerated appreciation in the Swiss franc led to a 2 per cent drop in terms of this currency.

The Ivory Coast factory of Prover S.A., in which Interfood has a minority shareholding, has begun the processing of cocoa beans, while another minority participation — that in the Brazilian company Copac — will soon begin making chocolate.

For the first seven months of 1978, sales in terms of local currencies are also higher by 19 per cent, but the accelerated appreciation in the Swiss franc led to a 2 per cent drop in terms of this currency.

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Iggesund sees improvement

By William Duffin

STOCKHOLM, Sept. 6. IGSEKAB, the Swedish board, pulp, steel and chemicals conglomerate, made a loss of Skr 25m (82.5m) for the first seven months of this year. This compares with a profit of Skr 80m for the corresponding period last year.

But the best position for the group's products, particularly for pulp, has improved and is expected to result in a better profit performance during the last few months. Iggesund is, therefore, forecasting a 1978 result close to last year's pre-tax loss of Skr 5m.

Sales during the seven-month period ended July 31, 1978, were an increase of Skr 180m. Total 1978 turnover is expected to reach just over Skr 1,800m (Skr 1,370m). If stock prices are estimated the pre-tax loss comes out at Skr 32m against a loss of Skr 25m last year.

The profit deterioration during the period stems mainly from the pulp, steel and engineering divisions, whose weak performance was not offset by the advances made in Iggesund's forest-based units turned in an operating income after depreciation of Skr 7.3m.

Higher pulp prices and better capacity utilisation should give better figures for the rest of the year, while deliveries by steel works have also started to improve. An appreciable improvement from the seven-month operating loss of Skr 8.1m on a Skr 1,800m turnover is forecast.

The next issue in Kuwaiti dinars after the Philippines Development Bank will be for the Brazilian utility Eletrobras. Due for launching in mid-September, the issue is expected to be KD 10m and to offer an interest rate of 8 1/2 per cent for a 12-year maturity with a bondholder's union to redeem after seven years. The issue would be state-guaranteed.

The lead manager is Kuwait International Investment Company.

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Focus on Hessische Landesbank - Girozentrale -

"Half of Germany's top 10 banks are Frankfurt-based. We're one of them."

Let's start with Frankfurt. Why is Frankfurt so important?

"Frankfurt ranks among the world's foremost banking and financial centers. 152 German banking institutions operate here, and Frankfurt has 161 international banks, more than any other city in Continental Europe.

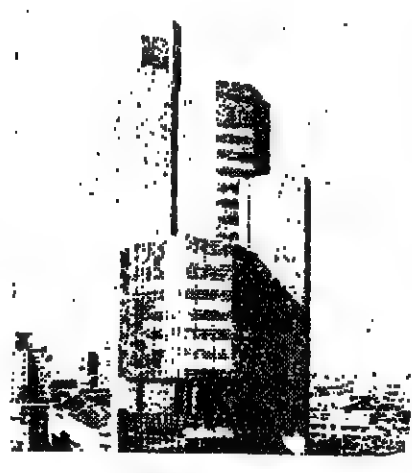
The Bundesbank is headquartered here, and the Frankfurt Stock Exchange is Germany's largest, accounting for nearly half of the stock exchange transactions, 57 per cent of dealings in foreign shares and 80 per cent of the business in foreign fixed-interest securities.

Perhaps less well known internationally is that Hessische Landesbank is one of Frankfurt's big native-born banks. Half of Germany's top 10 banks are Frankfurt-based. We're one of them."

Now about the bank itself.

What's its size and structure?

"With total assets of DM 42 billion, Hessische Landesbank is Germany's 8th largest bank, 3rd among Landesbanks. As a government-backed regional bank, our liabilities are guaranteed jointly by the State of Hesse and its Sparkassen and Giro Association. We also act as banker to the State of Hesse, from which our name is derived, and perform clearing functions for the 52 regional Sparkassen."



Who are the bank's main clients?

"As a wholesale bank, our service facilities are tailored for large, internationally active corporations, foreign governments, and other financial institutions, as well as subsidiaries of international companies operating in Germany. As bankers to the State of Hesse, we naturally support its state-wide and municipal programs. We also work closely with Hesse's Sparkassen and their clients, especially on the foreign side."

How do you see your position developing internationally?

"Frankly, a number of German banks offer similar high-quality services, and some of them have a head start on us in the international field. Without neglecting our home base in Frankfurt, we have assembled a team of banking professionals devoted to building a strong international track record based on pragmatic banking principles, the most modern technical and support facilities, and the highest standards of client service. Banking in Frankfurt is quite competitive, and the banks who try harder for their clients and give them their personal service often have the edge. This is one of our major objectives."

Hessische Landesbank
- Girozentrale -
Jungfernstieg 18-26
D-6000 Frankfurt/Main
Telephone: (06 11) 132-1
Telex: 04 11 323

Helaba Frankfurt
Hessische Landesbank - Girozentrale -

This announcement appears as a matter of record only.

1,269,536 Shares
Memorex Corporation
Common Stock

Lehman Brothers Kuhn Loeb

Blyth Eastman Dillon & Co.

Bache Halsey Stuart Shields

The First Boston Corporation

Dillon, Read & Co. Inc.

Donaldson, Lufkin & Jenrette

Drexel Burnham Lambert

Goldman, Sachs & Co.

E.F. Hutton & Company Inc.

Kidder, Peabody & Co.

Lazard Freres & Co.

Loeb Rhoades, Hornblower & Co.

Paine, Webber, Jackson & Curtis

Warburg Paribas Becker

Salomon Brothers

Smith Barney, Harris Upham & Co.

Bear, Stearns & Co.

Wertheim & Co., Inc.

Dean Witter Reynolds Inc.

Shearson Hayden Stone Inc.

L.F. Rothschild, Unterberg, Towbin

Atlantic Capital

EuroPartners Securities Corporation

Robert Fleming

New Court Securities Corporation

The Nikko Securities Co.

Nomura Securities International, Inc.

SoGen-Swiss International Corporation

Yamaichi International (America), Inc.

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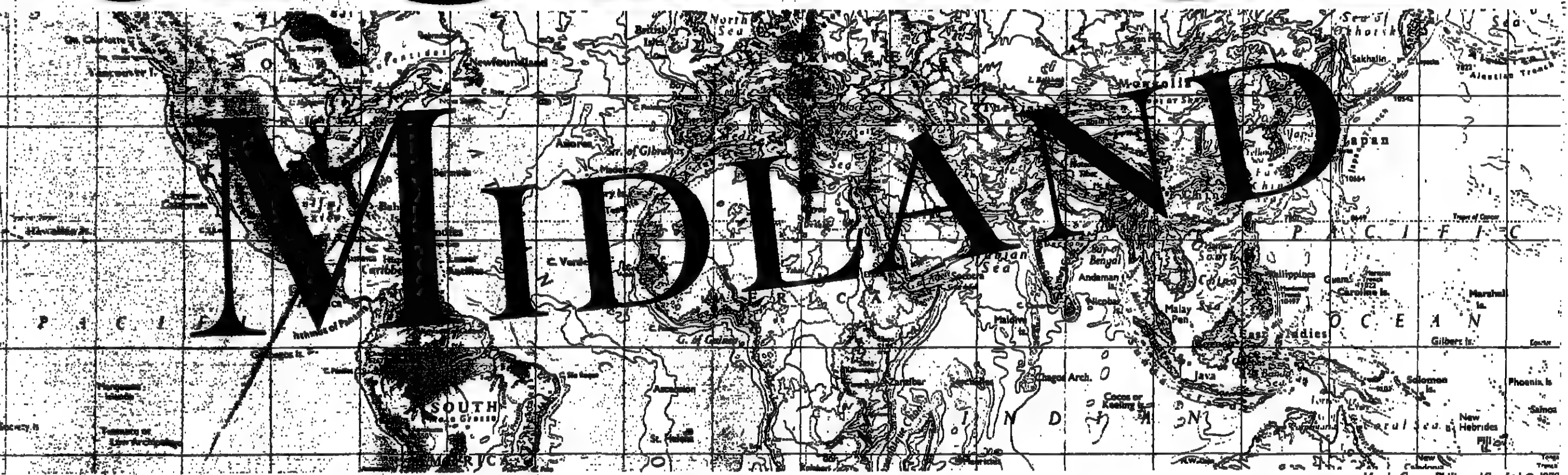
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Currency Money and Gold Markets

Dollar nervous: pound steady

THE DOLLAR moved rather erratically in yesterday's foreign exchange market, seeming to lack any positive direction. The U.S. currency opened firmer against many currencies with most movement tending to reflect the Swiss franc-dollar rate. During the afternoon trading became a little thinner and the dollar began to weaken, although it finished above its worst levels for the day. Federal chairman G. William



Miller stated that the dollar would continue to have problems if Congress did not act on the energy situation, and this hardly helped sentiment. Most movements took place against the Swiss franc which opened at SwFr 1.670 in dollar terms but rose at one point to SwFr 1.637 before closing at SwFr 1.610 compared with SwFr 1.620 on Tuesday. The West German mark improved slightly to DM 1.861 from DM 1.850 having been up to DM 1.870 during the day. Using Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation narrowed slightly to 2.1 per cent from 2.2 per cent previously.

Trading opened at \$1.9420/1.9430 and during the morning eased to \$1.9355 before closing at \$1.9420/1.9430, unchanged from its opening level and Tuesday's close. On Bank of England figures, sterling's trade weighted index remained at 62.3, having stood at 62.2 at noon and early dealings.

FRANKFURT—The dollar was

fixed at DM 1.8543, slightly better than its early morning level of DM 1.8520 and compared with Tuesday's fixing of DM 1.8790. Market sources suggested that Middle East peace talks being held at the moment were having some dampening effect on dealings. In later trading the dollar fell to DM 1.8520 with some dealers suggesting this as a floor level for the time being. Against 22 currencies the Bundesbank trade-weighted mark revaluation index eased slightly to 147.4 from 147.3, a rise of 2.9 per cent from the end of 1977.

ZURICH—Initial activity saw the dollar move firmer, possibly gaining some impetus from a narrower balance of payments surplus by West Germany. However the trend was soon reversed and the dollar weakened in fairly active dealing. Market sentiment still remains pessimistic bearing in mind the rather gloomy economic outlook in the U.S. At mid-morning the dollar was quoted at SwFr 1.6277 and DM 1.8543, which was down from the morning peak of DM 1.8570.

PARIS—The dollar closed little changed from its morning levels of 224.15. French franc trading was relatively calm. News of a 15% budget deficit for 1978 had largely been discounted by the market. The U.S. currency was quoted at FF 4.344 compared with FF 4.333 and Tuesday's level of FF 4.340. The Swiss franc was slightly easier at FF 2.670 against FF 2.694 previously.

MILAN—The dollar rose against the lira in fairly light trading and was quoted at L 2.1560 compared with Tuesday's fixing of L 2.1480. The Swiss franc however eased in lira terms from L 2.171 to L 2.161.

TOKYO—The dollar was subdued trading, the dollar eased slightly at the close against the yen. The U.S. currency finished at ¥169.63 compared with Tuesday's close of ¥169.50. After opening at ¥169.50, the dollar traded narrowly between ¥169.55 and ¥169.60. Volume was light with spot dealing accounting for \$477m and combined forward and swap trading amounted to \$799m.

THE POUND SPOT				FORWARD AGAINST £			
Bank	Rate	Bank	Rate	One month	3 months	6 months	12 months
U.S. &	1.9420-1.9430	Deutsche	1.8543	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Canada	1.2550-1.2560	Swiss	1.6277	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
France	4.344-4.345	Belgian	23.45	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Germany	2.670-2.671	Dutch	2.20	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Italy	2.1560-2.1570	Spanish	166.5	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Japan	169.63-169.64	Portuguese	200.48	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Sweden	4.625-4.626	Greek	340.75	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Switzerland	1.6277-1.6278	Israeli	18.75	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Denmark	4.82-4.83	Thai	20.8	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Norway	4.75-4.76	Philippine	50.00	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Finland	5.94-5.95	Malay	2.33	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Australia	1.48-1.49	Singapore	2.46	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
New Zealand	2.05-2.06	South Africa	1.74	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c

THE DOLLAR-SPOT				FORWARD AGAINST \$			
Bank	Rate	Bank	Rate	One month	3 months	6 months	12 months
Canada	1.2550-1.2560	Deutsche	1.8543	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
France	4.344-4.345	Swiss	1.6277	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Germany	2.670-2.671	Belgian	23.45	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Italy	2.1560-2.1570	Dutch	2.20	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Japan	169.63-169.64	Spanish	166.5	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Sweden	4.625-4.626	Portuguese	200.48	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Switzerland	1.6277-1.6278	Greek	340.75	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Denmark	4.82-4.83	Israeli	18.75	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Norway	4.75-4.76	Thai	20.8	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Finland	5.94-5.95	Philippine	50.00	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
Australia	1.48-1.49	Malay	2.33	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
New Zealand	2.05-2.06	Singapore	2.46	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c
South Africa	1.74-1.75	U.S. cents per Canadian \$	70.9	0.75-0.80c	0.82-0.87c	0.87-0.92c	0.92-0.97c

CURRENCY RATES				CURRENCY MOVEMENTS			
September 6	September 5	September 4	September 3	September 6	September 5	September 4	September 3
U.S. dollar	1.9420	1.9420	1.9420	U.S. dollar	0.00	0.00	0.00
Canadian dollar	1.2550	1.2550	1.2550	Canadian dollar	0.00	0.00	0.00
French franc	4.344	4.344	4.344	French franc	0.00	0.00	0.00
German mark	2.670	2.670	2.670	German mark	0.00	0.00	0.00
Italian lira	2.1560	2.1560	2.1560	Italian lira	0.00	0.00	0.00
Japanese yen	169.63	169.63	169.63	Japanese yen	0.00	0.00	0.00
Swedish krona	4.625	4.625	4.625	Swedish krona	0.00	0.00	0.00
Swiss franc	1.6277	1.6277	1.6277	Swiss franc	0.00	0.00	0.00
Dutch guilder	2.20	2.20	2.20	Dutch guilder	0.00	0.00	0.00
Spanish peseta	166.5	166.5	166.5	Spanish peseta	0.00	0.00	0.00
Portuguese escudo	200.48	200.48	200.48	Portuguese escudo	0.00	0.00	0.00
Greek drachma	340.75	340.75	340.75	Greek drachma	0.00	0.00	0.00
Israeli sheqel	18.75	18.75	18.75	Israeli sheqel	0.00	0.00	0.00
Thai baht	20.8	20.8	20.8	Thai baht	0.00	0.00	0.00
Philippine peso	50.00	50.00	50.00	Philippine peso	0.00	0.00	0.00
Malay ringgit	2.33	2.33	2.33	Malay ringgit	0.00	0.00	0.00
Singapore dollar	2.46	2.46	2.46	Singapore dollar	0.00	0.00	0.00
South African rand	1.74	1.74	1.74	South African rand	0.00	0.00	0.00

OTHER MARKETS			
Sept. 6	Sept. 5	Sept. 4	Sept. 3
Argentine peso	1.924-1.925	1.924-1.925	1.924-1.925
Australian dollar	1.6000-1.6010	1.6000-1.6010	1.6000-1.6010
Belgian franc	23.45	23.45	23.45
British pound	1.9420	1.9420	1.9420
Canadian dollar	1.2550	1.2550	1.2550
French franc	4.344	4.344	4.344
German mark	2.670	2.670	2.670
Italian lira	2.1560	2.1560	2.1560
Japanese yen	169.63	169.63	169.63
Swedish krona	4.625	4.625	4.625
Swiss franc	1.6277	1.6277	1.6277
Dutch guilder	2.20	2.20	2.20
Spanish peseta	166.5	166.5	166.5
Portuguese escudo	200.48	200.48	200.48
Greek drachma	340.75	340.75	340.75
Israeli sheqel	18.75	18.75	18.75
Thai baht	20.8	20.8	20.8
Philippine peso	50.00	50.00	50.00
Malay ringgit	2.33	2.33	2.33
Singapore dollar	2.46	2.46	2.46
South African rand	1.74	1.74	1.74

Rate given for Argentina is free rate.

EXCHANGE CROSS-RATES

Sept. 6	Sept. 5	Sept. 4	Sept. 3
U.S. dollar	1.9420	1.9420	1.9420
Canadian dollar	1.2550	1.2550	1.2550
French franc	4.344	4.344	4.344
German mark	2.670	2.670	2.670
Italian lira	2.1560	2.1560	2.1560
Japanese yen	169.63	169.63	169.63
Swedish krona	4.625	4.625	4.625
Swiss franc	1.6277	1.6277	1.6277
Dutch guilder	2.20	2.20	2.20
Spanish peseta	166.5	166.5	166.5
Portuguese escudo	200.48	200.48	200.48
Greek drachma	340.75	340.75	340.75
Israeli sheqel	18.75	18.75	18.75
Thai baht	20.8	20.8	20.8
Philippine peso	50.00	50.00	50.00
Malay ringgit	2.33	2.33	2.33
Singapore dollar	2.46	2.46	2.46
South African rand	1.74	1.74	1.74

EURO-CURRENCY INTEREST RATES

Sept. 6	Sept. 5	Sept. 4	Sept. 3
U.S. dollar	1.9420	1.9420	1.9420
Canadian dollar	1.2550	1.2550	1.2550
French franc	4.344	4.344	4.344
German mark	2.670	2.670	2.670
Italian lira	2.1560	2.1560	2.1560
Japanese yen	169.63	169.63	169.63
Swedish krona	4.625	4.625	4.625
Swiss franc	1.6277	1.6277	1.6277
Dutch guilder	2.20	2.20	2.20
Spanish peseta	166.5	166.5	166.5
Portuguese escudo	200.48	200.48	200.48
Greek drachma	340.75	340.75	340.75
Israeli sheqel	18.75	18.75	18.75
Thai baht	20.8	20.8	20.8
Philippine peso	50.00	50.00	50.00
Malay ringgit	2.33	2.33	2.33
Singapore dollar	2.46	2.46	2.46
South African rand	1.74	1.74	1.74

The following normal rates were quoted for London dollar certificates of deposit: One month 8.48-8.53 per cent; three months 8.75-8.80 per cent; six months 8.90-8.95 per cent; one year 9.00-9.05 per cent. London dollar rates for two years 9.10-9.15 per cent; three years 9.20-9.25 per cent; four years 9.30-9.35 per cent; five years 9.40-9.45 per cent. Annual rates are quoted in Singapore.

INTERNATIONAL MONEY MARKET

New York rates lower

Treasury bills were quoted sharply lower yesterday with 13-week bills at 7.58 per cent compared with 7.61 per cent on Tuesday and 28-week bills easing to 7.97 per cent from 7.73 per cent. One-year bills were also easier at 7.54 per cent from 7.58 per cent. Federal funds were trading at 8.10 per cent after 8.1 per cent and 7.71 per cent respectively. Six-month deposits were slightly firmer at 7.71 per cent from 7.72 per cent while the one-year rate stayed at 7.72 per cent. In the week ending September 4, the Belgian Central Bank foreign exchange reserves fell RFR 1,000m to RFR 8,325m. However it was stressed that a large part of this fall was made up by an intervention in support of the Belgian franc. Call money fell sharply to 4.65 per cent from 5.05 per cent on Tuesday.

FRANKFURT—Interbank money market rates were again

unchanged at 8.1 per cent for paper rate to 8.125 per cent for 30-days from 7.95 per cent while

80-day paper was quoted at 8.20 per cent from 8 per cent. The 80-day rate also rose to 8.25 per cent against 8.15 per cent previously.

BRUSSELS—Deposit rates for the Belgian franc (commercial) were quoted at 8.1 per cent for call money, unchanged from Tuesday, as were the one and three-month rates at 8.1 per cent and 7.71 per cent respectively. Six-month deposits were slightly firmer at 7.71 per cent from 7.72 per cent while the one-year rate stayed at 7.72 per cent. In the week ending September 4, the Belgian Central Bank foreign exchange reserves fell RFR 1,000m to RFR 8,325m. However it was stressed that a large part of this fall was made up by an intervention in support of the Belgian franc. Call money fell sharply to 4.65 per cent from 5.05 per cent on Tuesday.

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We are a small successful engineering company and wish to enter into equity participation with a similar successful engineering company with net assets in the region of £150,000. Must have manufacturing capacity to handle up to an additional turnover of approximately £500,000 within 18 months in CO. welding and tube fabrication. Approximately 10,000 sq. ft. of modern factory space required. Existing workforce with good labour relations essential. Principals only need reply.

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Firm Needed

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FOR SALE
SUCCESSFUL BUILDING COMPANY
Well-established; substantial profits. Good current contracts and land bank.
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FOR SALE BY AUCTION (under private contract)
THE WEBBINGTON HOTEL AND COUNTRY CLUB
LOXTON, NR BRISTOL
Known as "The Spot of the West" Nationally known Residential Hotel and Country Club near Bristol and Bath in a prominent position close to the M5, being the main holiday route to Devon and Cornwall. Extensively enlarged Ballroom/Entertainment Centre/Restaurant. Over 60 Bedrooms. Standing on Grounds of 6 acres.
To be offered for Sale by Public Auction on the Premises at 3 p.m. on TUESDAY 10th OCTOBER 1978.
Solicitors: Messrs Trump & Partners, 31 St. Nicholas Street, Bristol 1, Tel. (0272) 25001.
Further particulars from Osmond Tricketts and Son, 78 Old Gloucester Street, London EC1A 3DL. Tel. 0772 23871.

Well established HOSPITAL APPARATUS MANUFACTURERS
Producing own range of tubal multi-lumen equipment, theatre and diagnostic lamps, skin treatment equipment, small transformers, etc., along with general electrical engineering including electric motor re-winding, sub-contract machining, etc. Good order book. Well equipped freehold factory in north of England.
T/O £180,000 p.a.
Principals only write Box G.2506, Financial Times, 10, Cannon Street, EC4P 4BY.

CUTTING TOOLS CO.
Manufacturer of special cutting tools, fully equipped with modern machinery. Tools value £80,000. Present turnover £230,000 per annum. Minimum profit £30,000 per annum. Before Management and Depreciation charges. Sale of Shares £110,000. For Plant and Goodwill plus working capital approx. £5,000.
Enquiries Box G.2532, Financial Times, 10, Cannon Street, EC4P 4BY.

OFFSET PRINTERS
With leasehold premises of 10,000 square feet and trade of £200,000 for sale, as owner wishes to retire. Home Counties.
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PRINTING BUSINESS
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Major Thermoplastic Resins producer seeks contact with company who would act as DISTRIBUTOR in the United Kingdom

Ideal candidate would know thermoplastics, thermosets, chemicals market and would have a broad knowledge of the end-uses. Thorough familiarity with the U.K. plastics industry is required: good coverage of the United Kingdom by experienced sales team is a must. It is desirable to have local warehouse space at strategic locations. Any company interested in adding a thermoplastic resin to its present line may contact Box F.1047, Financial Times, 10, Cannon Street, EC4P 4BY.

EXPERIENCED BUSINESS ECONOMISTS, AS A WEEK FOR EC2 address or messages. Combining rates of commission available for short and long term commissions. Richard Stock Exchange, Messager Midland, Holland and Associates, 01-202 8625.

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SPECIALISED CHEMICAL MANUFACTURER (concentrated products). Numerous Trade Marks UK & Abroad. Modern Factory & Plant with amenities & space for expansion. Average Profit before Tax £30,000 p.a. last 5 years. Assets Surplus approx. £250,000. (Cash £80,000-£100,000).

OF PARTICULAR INTEREST TO FATTY ACID PRODUCERS AND ORAMINES requiring a captive customer of substantial tonnage. The business can then be expanded two to three times at least to meet competition in Europe. Fairly quick results can be expected.
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The owners of a well established G.B. N. Ireland and Continental Full Load Traffic Organisation wish to dispose of their business as a going concern. Turnover approx. £2 million with profits to match.
Write Box G.2494, Financial Times, 10, Cannon Street, EC4P 4BY.

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FOR SALE AT £200,000.
Estimated profits £50,000.
Requires additional cash of £50,000-£100,000.
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URGENTLY REQUIRED
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Will Principals only please contact Box G.2508, Financial Times, 10, Cannon Street, EC4P 4BY.

TAX LOSS COMPANY

WITH AGREED CAPITAL LOSSES SOUGHT
Details in confidence to Box G.2509, Financial Times, 10, Cannon Street, EC4P 4BY.

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Seeks to acquire family engineering business occupying modern premises in Home Counties. Ideally, company active in fabrication with turnover £2,000,000 p.a. and proven continuing management team.
Details, Please, in Confidence to: Box G.2496, Financial Times, 10, Cannon Street, EC4P 4BY.

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WANTED BY INDIVIDUAL INVESTOR
Import warehousing or retail of finance available for equity.
Write in confidence, Box G.2527, Financial Times, 10, Cannon Street, EC4P 4BY.

PROPERTY INVESTMENT
Business owning investment Property with market values at least £250,000 below cost.
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LIGHT PRESS WORK - Andover regularity. Tel: 01-627 9900. Box G.2516, Financial Times, 10, Cannon Street, EC4P 4BY.

طريقه ايجار

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PLATINUM
\$ per troy ounce

Month	Free Market (\$/troy ounce)	Producer (\$/troy ounce)
J	95	90
F	100	95
M	105	100
A	110	105
M	115	110
J	120	115
J	125	120
A	130	125
S	135	130

1978

Ministry acts on free milk offer

New role for women on the land

tors taken on initially is tiny. Bangladesh has 65,000 villages and 84m people, 90 per cent of whom live in villages and 75 per cent of whom derive their livelihood from agriculture.

If they are accepted, though, Bangladesh's agriculture could grow quickly precisely because women, though not officially counted as members of the labour force, do play a vital part in agriculture and its support operations.

Dynamic

effect on society. Acceptance of women as workers would be important as a general principle. The roles carried out in the home by women mean that the lessons would be picked up quickly by children and the

One example of the dynamic effects of this development is provided by a village a few hours' drive from Ducco, the

capital of Bangladesh. In this village women were encouraged to play a bigger part. Not only did traditional agriculture grow faster, but new crops were tried, women's clubs were formed in which the principles of family

planning were taught and attempts were made to get over longstanding caste barriers that affect even Muslim countries on the subcontinent.

jute goods and other handicrafts and progressed so well that last year they earned more than \$10,000 in exports with their goods.

rs' waste
MEXICO CITY, Sept. 6.
with a kind of fish-cake made

It is cheap and has the advantage that it does not need to be refrigerated. As a result it could be transported inland to rural areas and its use need not be

The product was tested on Wednesday night during a cocktail party for Sir Peter Vaneck, the Lord Mayor of London, who is here on an official visit. The

Lord Mayor found it quite edible.

Rally by

U.S. Markets

Rally by precious metals

NEW YORK, Sept. 5.

PRECIOUS METALS rallied on Commission House buyouts and short-covering amid concern over the Israeli-Egyptian summit meeting. Copper closed lower on Commission House liquidation following termination of the Peruvian strike and a lower than expected decrease in the LME

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OFFSHORE AND OVERSEAS FUNDS

[illegible]

30 Bath St., St. Helier, Jersey.		0693 731314
Servings Discounted Fds.		
Growth Fund, Inc.	99.8	1.00
Total Pfd. Inv.	99.8	1.00
Income Fund, Inc.	99.8	1.00
U.S. Bond Fund, Inc.	99.8	1.00
High Income Fund, Inc.	99.8	1.00
U.S. Dollar Discounted Fds.	99.8	1.00
United States Fund, Inc.	99.8	1.00
V.I. Fund, Inc.	99.8	1.00
Valm Sep 31 - Next dealing September 11.		
Brown Shipley Tst. Co. (Jersey) Ltd.		
P.O. Box 583, St. Helier, Jersey.	0693 76777	
Listing Stock Pfd., £5.97 10 shd.		11.70
Waterfield Management Co. Ltd.		
P.O. Box 165, Hamilton, Bermuda.		
Outright Equity	99.84	1.00
Income Fund, Inc.	99.84	1.00
Prices at August 7, Next dealing day Sept. 11.		
Capital International S.A.		
37 rue Notre-Dame, Luxembourg.		
Negit S.A..		
10 Boulevard Royal, Luxembourg.		
NAV Sep 11	\$US12.61	
Negit Ltd.		
10 Boulevard Royal, Luxembourg.		
NAV Aug 25	£6.95	
Phoenix International		
105 Bt. Jervis Street, Goreway.		
Inter-Dollar Fund, \$2.44		2.44
Quest Fund Mgmt. (Jersey) Ltd.		
P.O. Box 19, Jersey.	0693 4771	
Quest Sdg Pfd Ind. Inc.	100.0	1.00
Quest Intl. Secs.	100.0	1.00
Prices at August 31, Next dealing September 11.		
Richmond Life Ass. Ltd.		
48, Abbot Street, Douglas, L.O.M.	0693 2222	

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INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INV. TRUSTS—Continued

FINANCE, LAND—Continued

NEW JAPAN SECURITIES
Tokyo, Japan
New Japan Securities Europe Limited
1, Moorgate, London EC2A 4PU Tel: 06-478178
Frankfurt Office: Tel: 069-233

MINES—Continued
CENTRAL AFRICAN
High Low Stock Price Div. Yr. Cvt. Yr. P/E

AUSTRALIAN
High Low Stock Price Div. Yr. Cvt. Yr. P/E

TINS
High Low Stock Price Div. Yr. Cvt. Yr. P/E

COPPER
High Low Stock Price Div. Yr. Cvt. Yr. P/E

MISCELLANEOUS
High Low Stock Price Div. Yr. Cvt. Yr. P/E

NOTES
Under otherwise indicated, prices and dividends are in pence and denominated in pence. Estimated performance ratios and coverages are based on latest annual reports and accounts.

TEAS
India and Bangladesh
High Low Stock Price Div. Yr. Cvt. Yr. P/E

MINES
CENTRAL RAND
High Low Stock Price Div. Yr. Cvt. Yr. P/E

EASTERN RAND
High Low Stock Price Div. Yr. Cvt. Yr. P/E

FAR WEST RAND
High Low Stock Price Div. Yr. Cvt. Yr. P/E

REGIONAL MARKETS
The following is a selection of London quotations of shares previously listed only in regional markets. Prices of shares are as quoted on the Irish exchange.

OPTIONS
3-month Call Rates

DIAMOND AND PLATINUM
High Low Stock Price Div. Yr. Cvt. Yr. P/E

LEISURE

Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like Leisure TV, Leisure Products, etc.

MOTORS, AIRCRAFT TRADES

Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like Motors and Cycles, Commercial Vehicles, etc.

SHIPBUILDERS, REPAIRERS

Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like Shipbuilders, etc.

SHOES AND LEATHER

Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like Shoes, etc.

SOUTH AFRICANS

Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like South Africans, etc.

TEXTILES

Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like Textiles, etc.

NEWSPAPERS, PUBLISHERS

Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like Newspapers, etc.

PAPER, PRINTING, ADVERTISING

Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like Paper, etc.

PROPERTY

Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like Property, etc.

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Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like Property, etc.

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INV. TRUSTS

Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like Inv. Trusts, etc.

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Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like Inv. Trusts, etc.

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FINANCE, LAND

Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like Finance, etc.

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FINANCE, LAND

Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like Finance, etc.

INSURANCE

Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like Insurance, etc.

INSURANCE

Table with 6 columns: High, Low, Stock, Price, Div. Yr., Cvt. Yr. P/E. Includes companies like Insurance, etc.

